Austria	Sch26	Indonesia	Rp3100	Philippines	Pso40
Bahrain	Din0.700	Iran	Rls210	Poland	Zl 9,000
Belgium	BFr55	Israel	Shk3.50	Portugal	Es150
Cyprus	C£0.90	Italy	L2000	Qatar	QR9.50
Denmark	DKr12.00	Jordan	Fils1000	S.Arabia	SR7.00
Egypt	E£3.25	Kuwait	Fils.500	Singapore	S$4.10
Finland	FM8.50	Lebanon	L£400.00	Spain	Pta165
France	FFr7.50	Lux	LFr55	Sweden	SKr12
Germany	DM2.60	Malaysia	M$4.25	Switz	SFr2.50
Greece	Dr150	Morocco	MDh8.00	Thailand	Bht50
Hong Kong	HK$12	Neth	Fl 3.25	Tunisia	Din0.800
Hungary	Ft107	Nigeria	Naira10	Turkey	L1400
Iceland	IKr160	Norway	NKr12.00	UAE	Dh7.00
India	Rs15	Oman	OR1		

EUROPE'S BUSINESS NEWSPAPER

FINANCIAL TIMES

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Monday June 18 1990

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THE UNIVERSITY

MIDDLE EAST
Deal-maker Baker leans on Shamir
Page 4

World News

EC considers moves to show displeasure with Romania

The Romanian parliament is expected to swear in Ion Iliescu as President today while in Luxembourg EC foreign ministers review what action they might take to show displeasure over the Romanian Government's crackdown on protesters last week. Page 20

IRA suspect charged

IRA suspect Donna Maguire was charged at Turnhout, Belgium, with carrying a false passport, use of a false name and criminal association, after being found with two men firing guns in a Belgian wood. One of her companions, captured by Dutch police, was awaiting extradition back to Belgium, while a hunt continued for the other.

Pravda warning

The editor-in-chief of Pravda, the Communist Party daily, has warned that the party which has ruled the Soviet Union for 72 years must either reform itself at a crucial congress next month or risk extinction. Page 2

Ceasefire broken

Tamil separatist guerrillas and government troops clashed in north-east Sri Lanka, breaking a fragile day-old ceasefire, security sources said.

Election violations

The second round of Bulgaria's first multi-party election in more than 40 years was marred by violations and several cases of overt intimidation, foreign observers reported. Picture, Page 2

Accord stalled

The tenacious tactics of the only Aboriginal member of the Manitoba legislature have succeeded in stalling approval of Canada's Meech Lake constitutional package, while unleashing the most vigorous protests in years by the native community against political discrimination. Page 4

Party debate banned

President Daniel arap Moi of Kenya ordered an end to a three-month debate on the merits of a multi-party democracy, saying the country was firmly behind him and the sole legal party, Kanu. Page 3

Vietnam tightens net

Vietnam, tightening its security net against what it calls an imperialist threat, has discovered 30 local companies operating illegal joint ventures with foreign companies and 200 foreigners entering the country illegally. Page 3

Israeli oil

A US-based company said it had found oil off the Israeli coast but halted test production for technical reasons.

Soviet prison riot

About 1,000 inmates barricaded themselves into a riot-torn Ukrainian prison and took up positions on the roof after police began trying to evacuate the mutineers.

Policemen killed

Gunmen killed four black policemen in South Africa as blacks commemorated a 1976 anti-apartheid uprising in Soweto in which police killed more than 600 people.

Kuwaiti strike

Hundreds of Kuwaiti oil workers, in rare industrial action in the Gulf Arab region, are to strike indefinitely if the state oil company does not answer union demands.

Ecuadorean poll

Ecuadoreans voted in mid-term congressional elections expected to result in a setback for President Rodrigo Borja.

Oman-Bulgaria links

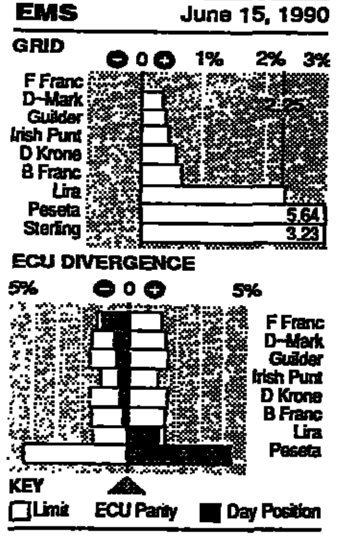
Bulgaria and the Gulf sultanate of Oman are to establish diplomatic relations.

Business Summary

Mexico privatises telephone company

The Mexican Government is offering 20.4 per cent of its majority holding in Telefonos de Mexico in the first stage of a major privatisation exercise, the Ministry of Finance has announced. Page 23

EUROPEAN Monetary System: The Spanish peseta and Italian lire were the firmest currencies within the EMS last week as they strengthened, particularly against the French franc. The franc could remain towards the bottom of the grid as long as a rise in French interest rates is thought to be unlikely.



The chart shows the constraints on EMS exchange rates. The upper grid, based on the system's weakest currency, defines the cross-rates from which only the peseta may move by more than 2¼ per cent. The lower chart gives currencies' divergence from the central rate against the European Currency Unit (Ecu), itself derived from a basket of currencies.

BANCO de BRASIL is funding $63m complementary credit to allow completion of first stage of Peru's Chavimochic irrigation project. Page 6

MOSCOW NARODNY Bank, Soviet-owned British bank, has received a capital injection from its Soviet shareholders. Page 23

SPAIN is dismayed by West German Bundesbank proposals to create a "two-speed" process towards European Monetary Union. Page 2

CS HOLDING, Swiss financial holding company whose subsidiaries include Credit Suisse and CS First Boston, is raising $1.5bn through a group of international banks. Page 22

AVONDALE INDUSTRIES, New Orleans-based ship builder, prepares offer to build Phoenix World City, a 250,000-ton cruise liner. Page 6

BELL ATLANTIC and US West, US telecommunications companies, will modernise Czechoslovakia's phone system. Page 6

SKETCHLEY, UK dry cleaning and industrial services group, is to announce "rescue" rights issue. Page 8

FIRST CHICAGO is to launch $1bn of credit card-backed bonds in the US and international markets. Page 23

SOVIET UNION economic reform programme will dominate agenda for summit of the seven leading industrialised countries in Houston, Texas. Page 20

EASTMAN KODAK and International Business Machines are forming an "alliance" to develop a new generation of computer systems newspapers and magazines. Page 23

NMB SEMICONDUCTOR of Japan and Ramtron of the US have formed an independent joint venture company to design and develop high density memory chips. Page 6

Finance chief says extra DM5bn a month needed to pay wages: 30% of companies may fail

E Berlin details credit needs after union

By **David Goodhart and Leslie Colitt** in East Berlin

EAST GERMAN companies will require between DM5bn ($2.95bn) and DM6bn a month in new credits after monetary union with West Germany on July 1 merely to pay wages, according to Mr Wolfgang Zeissig, head of financial planning in the East German Finance Ministry.

Mr Zeissig said in an interview that an international consortium of more than 30 banks was on the point of signing a lending declaration with the Treuhandanstalt, the East German trust agency, which owns most of industry, to help overcome industry's short term liquidity crisis.

The Finance Ministry official said that up to one third of all East German companies will be dependent on credit to pay most of the wages bill for at least three months after monetary union.

Many companies in the consumer goods sector, whose goods have been rejected by East German wholesalers, are caught in a serious liquidity squeeze and are preparing for extensive shutdowns and unemployment. Some are already paying wages out of credit.

"Many companies are unable to pay their wage bills this month and are being pressed by the banks to repay their loans," Mr Hans Neumann, another official in the East German Finance Ministry said.

Mr Zeissig said the trust agency, which is charged with overseeing privatisation of industry, will act as the guarantor for loans made by the consortia and, in conjunction with the East German economics Ministry, will check all companies' credit applications to ensure credit is channelled only to companies with real survival prospects. Between 20 and 30 per cent of all companies are expected to collapse after monetary union.

The liquidity loans from the banking consortium come on top of credit of DM7bn this year and DM10bn next year that the West German Government has committed the trust to raise to help companies with new investment. The trust is likely to be divided into between 5 and 8 departments to deal with the credit and investment needs of different industrial sectors.

The consortium consists mainly of West German banks but also includes financial institutions from France and the US. Mr Zeissig said that the West German Bundesbank had been encouraging West German commercial banks to join the consortium.

He also emphasised that notwithstanding the short term liquidity problem of East German industry the real debt problem of the corporate sector "is around the West European average in relation to assets."

After July 1 the total debt of East German companies, converted at two East German Marks to one Deutschemark, will be about DM120bn. But there is continuing pressure for complete debt forgiveness in some sectors, despite opposition from Bonn.

Mr Zeissig revealed that special consideration was being given to companies that have recently taken on large credit commitments as a result of re-equipping with expensive Western investment goods. "We might consider a more favourable debt conversion of four to one for companies in this position," he said.

He specified heavy investment by East Germany's chemicals, energy and electronics industries, and added that over 3 million pieces of Western machinery have been acquired in recent years. Mr Wolfgang Pohl, East German Economics Minister, has also raised the possibility of debt forgiveness for the chemicals and energy sectors. On the East German public sector deficit for this year, he said he was confident of sticking close to DM15.5bn for the first half of the year.

West German Chancellor Helmut Kohl in East Berlin as politicians from both sides of the border commemorated a 'Day of German Unity'

Lithuania considers Moscow offer

By **Leyla Boulton** in Moscow

THE REBELLIOUS Lithuanian parliament will tomorrow consider whether to suspend its independence declaration in return for formal secession talks with Moscow and the probable ending of a harsh economic blockade.

The Lithuanian President, Vytautas Landsbergis, said yesterday that the parliament would start discussing an offer he brought back from Moscow, but that he did not expect a quick decision. He did not know whether deputies would accept the compromise put to him last week by Mr Mikhail Gorbachev, the Soviet President.

"This is a serious offer... but it would be dangerous to rush into a decision," he said in a telephone interview. Mr Algis Cekuolis, a Communist deputy and newspaper editor, said "only a gipsy lady" could tell whether parliament would accept a deal with a Kremlin.

However, he said that most of his compatriots were still suspicious of Moscow.

"The new people at the Kremlin are saying they're not Stalinists. That's very nice but they're the same people who sent paratroopers to our city and imposed an economic blockade," he said.

The Lithuanian Government has proposed that parliament should declare "a temporary moratorium" of the March 11 declaration for the duration of secession talks.

The moratorium would end immediately if negotiations were broken off, it said in a statement issued on Saturday. It also demanded an immediate end to Moscow's economic sanctions.

Two months ago today, Moscow cut off crude oil supplies to Lithuania's only refinery, and slashed daily gas deliveries by 80 per cent in an attempt to force the breakaway republic into an unconditional surrender.

The blockade has brought Lithuanian industry almost to a standstill and has put 40,000 people out of work.

"We have been without hot water and heating for a long time," said President Landsbergis, explaining why his voice was heavy with a bad cold.

Mr Gorbachev made his offer to Lithuania on the same day he outlined his vision of a future Soviet confederation of sovereign states, with individually tailored ties with the centre.

Pressure from his arch-rival, Mr Boris Yeltsin, the newly-elected Russian president who threatened to set up direct trade and co-operation links with Lithuania, almost certainly helped Mr Gorbachev to work hard for a solution.

Lithuania in turn has been pressed towards compromise after discovering, to its dismay, that western democracies were unwilling to offer it concrete help, either by recognising its independence or giving it alternative energy supplies.

Timetable of Lithuania's independence struggle

MARCH 11: New Lithuanian parliament declares restoration of independence, lost in 1940 when Soviet Union absorbed Lithuania as part of deal with Hitler. Vote carried by 124 votes to none, with six abstentions.

MARCH 15: Congress of People's Deputies, the Soviet Union's supreme constitutional authority, declares Lithuanian resolution invalid and says it is still bound by Soviet constitution.

MARCH 29: US President George Bush appeals to President Gorbachev for peaceful solution to Lithuanian crisis. Without recognising Lithuanian independence, he states US support for Lithuanians' right to self-determination.

MARCH 31: President Gorbachev warns of tough consequences if Lithuania does not recant independence. Soviet troops occupy the offices of Lithuania's chief public prosecutor.

APRIL 18-19: Moscow cuts off oil to Lithuania's only refinery, followed by an 80 per cent reduction in the republic's gas supplies. According to the President the republic can "hold out 100 years without gas or oil."

JUNE 12: Mr Gorbachev, in first hint of compromise, says Lithuania needs to suspend independence declaration only for duration of negotiations. Meets President Vytautas Landsbergis who returns to Vilnius to put offer to parliament.

JUNE 13: Soviet Prime Minister Nikolia Ryzhkov says Moscow is prepared to ease its economic blockade on Lithuania.

JUNE 16: Lithuanian government proposes that parliament declare "temporary moratorium" on independence act for duration of negotiations with Moscow.

Conference will seek cut in use of CFCs

By **David Thomas,** Resources Editor, in London

NEW controls on industrial substances that destroy the Earth's ozone layer are almost certain to be agreed at a conference of representatives from more than 100 countries which begins on Wednesday in London.

On the eve of the conference, the US has dropped its opposition to the setting-up of an international fund to help developing nations reduce their use of chemicals damaging to the ozone layer, which acts as a barrier to harmful radiation from the sun.

The US is likely to contribute between $20m and $25m to a fund of at least $100m which will provide financial assistance over three years, could grow to more than $200m if developing countries are brought into the agreement.

The conference has been called to strengthen the existing international agreement on ozone-depleting substances, known as the Montreal Protocol. The biggest uncertainty at the conference will be whether the main developing countries will agree to join the 56 other countries that have already signed the protocol.

The protocol commits participating countries to cutting consumption of chlorofluorocarbons (CFCs), widely used in refrigerators, industrial cleaning and aerosols, to 50 per cent of 1986 levels by 1998.

It also commits countries to stabilise the use of halons, used in firefighting, at 1986 levels by 1992.

The European Community will press at the London conference for a revised agreement which could:

- Phase out all CFC use, preferably by 1997, or by 2000 at the latest.
- Phase out use of halons by the end of the century, with limited exceptions for essential uses.
- Introduce new controls on methylchloroform, used as an industrial solvent. The EC wants a 50 per cent cut in its use by 2000.
- Introduce new controls on carbon tetrachloride, another ozone-depleting solvent. The EC wants its use to end by 2000.

Environmental organisations are already condemning the likely agreements as inadequate. In a report to be published today, Greenpeace attacked the international community for failing to scrap CFCs faster and for not including CFC substitutes in the likely new agreement.

The Failure of the Montreal Protocol. Greenpeace, 30-31 Islington Green, London N1 8XE. £1 plus 50p p&p

Deadline for public sector cuts is acid test for Collor de Mello

By **Christina Lamb** in Rio de Janeiro

BRAZIL's President Fernandez Collor de Mello today faces his biggest challenge since taking office three months ago, as he confronts the deadline for his proposed sacking of 360,000 members of the country's powerful bureaucracy.

The dismissals will drag him into a quagmire of legal and constitutional restrictions and will force a head-on collision with business and old-style politicians, who use the bureaucracy as a network to secure jobs and contracts.

So far 10,000 job cuts have been announced in the ministries and 13,000 at Petrobras, the state oil corporation, where a strike is now under way.

Ministers have already admitted that the number sacked is more likely to be 120,000 than the 360,000 initially promised, but the move is integral to the success of Brazil's radical economic adjustment programme, announced by President Collor within hours of his inauguration.

President Collor pledged to stem inflation, which had hit a monthly rate of 73 per cent, and to turn the fiscal deficit of 8 per cent of gross national product into a surplus of 2 per cent through measures that included a wage and price moratorium, a freeze on 80 per cent of savings, cuts in government spending and the opening of trade barriers.

However much of the money frozen is already in circulation. Monthly inflation has once more reached double figures, and plans to sell off one state industry a month have been delayed.

Although the difficulties have been related more to implementation than to strategy, inevitable comparisons are being drawn with three previous plans in the last four years, all of which failed.

Mr Roberto Teixeira de Costa, a leading economist, said: "So far there has been more rhetoric than results. Rightly or wrongly, people are looking at public sector cuts as a test of President Collor's commitment."

The administration hopes to save at least 1 per cent of the country's gross national product by firing personnel from the 1.6m strong federal payroll. Although wasteful public spending is a favourite hobby horse of Mr Collor, many doubt whether he can maintain this stance with congressional elections approaching in October.

If Mr Collor tries to force the dismissals through by decree he is likely to fall foul of the constitution, which guarantees life tenure to those public servants with five years of service. Moreover, the very bureaucracy he is trying to cut is charged with implementing the plan and thus is in the perfect position to sabotage it.

Mr Robert Macedo, head of economics at Sao Paulo University, believes that President Collor is becoming the victim of his own deadline. "President Collor is a rich kid who always had his own way and had no

Continued on Page 20

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THE MONDAY INTERVIEW

Nissan chairman Takashi Ishihara is in no doubt about what lies at the root of US-Japanese trade tensions: Japan makes goods the world wants, and the US does not
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FT SURVEYS THIS WEEK

Corporate Finance

The wave of acquisitions in the US and the UK peaked in the last 18 months of the 1980s, leaving the corporate finance industry in a state of flux.

■ TODAY:
Corporate Finance: see panel.
Belgium: A new sense of stability.

■ TUESDAY:
European Finance and Investment: West Germany.

■ WEDNESDAY
Staffordshire: fresh attractions for investors.

■ FRIDAY
International Courier and Express Services: companies jostle for position.
FT Review of Business Books.

NOTICE OF REDEMPTION

MORTGAGE FUNDING CORPORATION NO. 3 PLC

Class C-1 Mortgage Backed Floating Rate Notes
Due October 2023

NOTICE IS HEREBY GIVEN to Bankers Trustee Company Limited (the "Trustee") and to the holders of the Class C-1 Mortgage Backed Floating Rate Notes Due October 2023 (the "Class C-1 Notes") of Mortgage Funding Corporation No. 3 PLC (the "Issuer") that, pursuant to the Trust Deed dated 21st October, 1988 (the "Trust Deed"), between the Issuer and the Trustee, and the Agency Agreement dated 21st October, 1988 (the "Agency Agreement"), between the Issuer and Morgan Guaranty Trust Company of New York (the "Principal Paying Agent") and others, the Issuer has determined that in accordance with the Redemption provisions set out in the Terms and Conditions of the Class C-1 Notes, Class C-1 Notes in the amount of £9,000,000 will be redeemed on 2nd July, 1990 (the "Redemption Date"). The Class C-1 Notes selected by drawing in lots of £100,000 for redemption on the Redemption Date at a redemption price (the "Redemption Price") equal to their principal amount, together with accrued interest thereon are as follows:

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THE DISTINCTIVE SERIAL NUMBERS SET OUT BELOW
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18	97	180	249	356	399	463	537	601	659	730	841	894	995	1142
34	131	181	272	357	405	494	557	616	675	744	844	910	1016	1152
46	133	182	287	363	407	496	578	622	676	757	851	937	1046	1164
54	140	214	328	366	416	507	598	624	686	761	852	941	1054	1175
79	145	234	331	367	436	515	599	636	710	785	875	943	1089	1179
92	166	246	346	378	456	527	600	651	723	812	890	953	1093	1182

The Class C-1 Notes may be surrendered for redemption at the specified office of any of the Paying Agents, which are as follows:

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London EC2R 7AE

Union de Banques Suisses
(Luxembourg) S.A.
36-38 Grand-rue
L-2011 Luxembourg

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Avenue des Arts 35
B-1040 Brussels, Belgium

Morgan Guaranty Trust Company
of New York
30 West Broadway
New York, New York 10015
Attn: Corporate Trust Administration

In respect of Bearer Class C-1 Notes, the Redemption Price will be paid upon presentation and surrender, on or after the Redemption Date, of such Notes together with all unmatured coupons and talons appertaining thereto. Such payment will be made (i) in sterling at the specified office of the Paying Agent in London or (ii) at the specified office of any Paying Agent listed above by sterling cheque drawn on, or at the option of the holder by transfer to a sterling account maintained by the payee with, a Town Clearing branch of a bank in London. On or after the Redemption Date interest shall cease to accrue on the Class C-1 Notes which are the subject of this Notice of Redemption.

MORTGAGE FUNDING CORPORATION NO. 3 PLC
By: MORGAN GUARANTY TRUST COMPANY
OF NEW YORK, *as Principal Paying Agent*

Dated: June 18, 1990

NOTICE

Withholding of 20% of gross redemption proceeds of any payment made within the United States is required by the Interest and Dividend Tax Compliance Act of 1983 unless the paying agency has the correct taxpayer identification number (social security or employer identification number) or exemption certificate of the Payee. Please furnish a properly completed Form W-9 or exemption certificate or equivalent if presenting your Class C-1 Notes to the paying agency's New York Office.

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And as substitute Representatives :

- Mademoiselle LECLERCQ Pascale living in PARIS (75015) 12, rue Robert Fleury
- Mademoiselle COHEN Nathalie living in PARIS (75005) 28, rue Berthollet

This notification is published in accordance with the article No 216 of the decret No 67-236 dated March 23, 1967.

INTERNATIONAL NEWS

Pravda editor warns Party of 'extinction'

By Leyla Boulton in Moscow

THE editor-in-chief of Pravda, the Communist Party daily, has warned that the party which has ruled the Soviet Union for 72 years must either reform itself at its crucial congress next month or risk extinction.

"Either the party changes and becomes a new party with democratic principles or it will lose all authority in society," Mr Ivan Frolov, a close ally of Soviet President Mikhail Gorbachev, told the Financial Times.

Mr Frolov, a member of the party's policy-making central committee, said it was too early to tell if the party would split, as many predict: "Perhaps there will just be a splintering."

But the 60-year-old former academic also said that a conservative rump could not survive if democratic forces left the party. "Intellectuals, peasants, workers would not support it... I myself would have nothing to do with such people."

The warning came as radicals and conservatives stepped up preparations to get their way at the 28th congress of the party of Lenin and Stalin.

Supporters of the radical Democratic Platform (DP) held a weekend congress in Moscow's October Cinema to consider tactics for moving towards a social democratic type of party.

The DP, which wants fully democratic decision-making and an end to a ban on factions within the party, last night threatened to form a breakaway group if their demands were not met.

Tomorrow, conservatives get their chance to rally, when Mr Gorbachev opens the founding congress of the country's first Russian Communist Party. Although DP supporters and other Russian members of the CPSU will attend the week-long meeting, the new party is widely seen as a focus for hardliners such as Mr Boris Gidaspov, the Leningrad Communist party boss.

Mr Gidaspov, a fierce critic of the Soviet leader, told Pravda on Saturday that the new party should unite "all honest, thoughtful Communists faithful to the ideals of October".

Mr Gorbachev gave the new party the green light a week ago, but only under duress, as part of a bid to steer a middle course between his conservative and radical critics. The concept of a purely Russian Communist Party had been resisted by Soviet leaders, starting with Lenin, who have argued it would give too much influence to the Russian Federation, the Union's largest republic.

Mr Frolov, disclosing that Mr Gorbachev planned a big speech at the Russian party meeting, said it was too early to tell whether the party would be a bastion of conservatism.

"We hope it will be a force of consolidation but only this week's meeting will tell whether it is a force of consolidation, or of dismemberment," he said.

Bulgarian Prime Minister Andrei Loukanov votes in Sofia in the second round of Bulgaria's first multi-party election in more than four decades. Polling was marred by violations and several cases of overt intimidation, foreign observers reported yesterday, Reuter reports from Sofia.

Observer teams monitoring the vote in 81 constituencies where run-off elections were being held reported incidents indicating a pattern of intimidation in several districts.

Among irregularities noted were the presence of uniformed officers and local mayors canvassing outside polling stations and failure to observe secrecy in some booths.

The voting is for a new 400-seat National Assembly. In the first round, the former communists, now the Bulgarian Socialist Party, won a majority over the Union of Democratic Forces (UDF) alliance.

Bundesbank Emu proposal upsets Madrid

By Peter Bruce in Madrid

SPANISH Government and central bank officials are reacting with dismay to proposals last week by the West German Bundesbank to create a "two speed" process towards European monetary union, with Bonn, Paris and the Benelux capitals fixing their exchange rates soon and weaker Community economies being invited to join later.

A senior Finance Ministry official has called the proposal "extremely worrying" and the governor of the Bank of Spain, Mr Mariano Rubio, has warned that a two-speed union could have "serious consequences" for the smooth functioning of the community.

Mr Karl Otto Pöhl, president of the Bundesbank, made the suggestion last Monday after briefing EC Finance Ministers in Luxembourg on preparations for the creation of a European Central Bank. His French counterpart, Mr Jacques de Larosière, later enthusiastically supported Mr Pöhl.

Mr Rubio told the Financial Times the proposals were "premature". EC governments had already agreed on a broad timetable for implementing the recommendations of the Delors committee on monetary union in three phases – starting this July with the lifting of controls on capital movement by some governments – and he believed the process should be adhered to.

"This is a very delicate matter," he said, "and could have serious consequences for the functioning of the Community. Given that monetary union is the most important political project in the Community, it should be left up to governments."

Although both Mr Pöhl and Mr de Larosière appeared to suggest that Italy, which recently narrowed the band within which the lira fluctuates in the European Monetary System from 6 per cent to 2.25 per cent, might also become a starter member of a system of fixed exchange rates, he clearly excluded Spain and Britain, which has yet to join the exchange rate mechanism of the EMS. The peseta has been in the ERM for a year.

Under a dual-speed union, the Community's high-inflation countries would be invited to join the others when they had achieved sufficient convergence with them and were less likely to need to manipulate exchange rates.

Britain opposes the proposals and the Bank of Italy reacted coolly to them late last week. Mr Pierre Bérégovoy, the French Finance Minister, has also criticised Mr Pöhl's proposals.

Mr Rubio said it was impossible to tell what state the different EMS economies would be in in four years, when the final phase of the Delors process might be reached. It was too early to decide now which countries would join, or remain out of, a monetary union.

Although Spain is still grappling with annualised inflation of 6.8 per cent, he said he had no doubt that the country could drop the rate of price rises by 3 points and match current inflation in France.

Spanish income tax reform to boost saving

THE SPANISH Government plans steep cuts in capital gains tax, from 56 per cent to 35 per cent, as part of a sweeping income tax reform designed to stimulate savings and to cut the fiscal burden on wage earners, Peter Bruce writes.

A white paper published at the weekend also proposes an increase from 2 per cent to 5 per cent in allowances on income, a cut of between one and five points in the top marginal rate of income tax of 56 per cent, a lowering of the minimum marginal rate from 25 per cent to 20 per cent, and the non-payment of any tax for some 2m people earning under Pta1m (£5,600) a year.

The white paper will go to parliament, where the governing Socialists have a working majority, after the summer break. Mr Carlos Solchaga, the Finance Minister, said the essentially populist measures would leave 90 per cent of wage earners paying less tax.

The Government, though, is likely to make up any shortfall in tax revenues by raising indirect taxes and by reducing corporate tax deductions. It plans to phase in a new tax system for entrepreneurs and professionals from next year.

By cutting capital gains tax to the corporate tax rate of 35 per cent, Mr Solchaga clearly hopes to stop wealthier Spaniards converting themselves into companies to escape high personal taxes. The proposals will free property bought before 1978 from capital gains tax, and make only property bought and held since for less than a year liable to the full 35 per cent.

Mr Solchaga, who is proposing the creation of a special police force to fight widespread tax fraud, also wants portfolio investments by non-residents to be tax-free, so that foreign capital continues to be attracted. Although the white paper suggests raising dividend taxes for residents from 10 per cent to 15 per cent, it commits the Government to easing tax on more simple forms of savings.

Although many senior Finance Ministry officials, including Mr Solchaga, are openly sceptical about the effects that tax cuts can have on savings, public opinion has more or less forced them to experiment. The proposals are at least likely to ease tensions between the Government and trade unions, who insist that wage earners have not benefited enough from the country's recent economic growth.

Army inertia blamed for Romania turmoil

Bucharest's leaders have become hostages to violent forces, writes **Judy Dempsey**

THE Romanian government says it called out the miners last week because it could not rely on the army to quash "fascist forces" which had attempted to take over the country.

But the government has again failed to spell out who was behind the planned coup d'état, nor did it apologise for the wave of terror which swept through the capital for three days leaving behind an atmosphere of intimidation and destruction.

In an uncompromising communiqué issued at the weekend, the government, which is dominated by the National Salvation Front, said it was forced to call out "the citizens to eliminate the forces of destruction."

But the communiqué will do little to reassure the opposition parties that President Ion Iliescu and Mr Petre Roman, the Prime Minister, are committed to creating a tolerant climate for democracy.

The headquarters of the National Liberal Party and Peasants Party are in tatters. The miners destroyed all their computers, phones and fax machines. The filing cabinets, desks and bookshelves were smashed.

The sequence of events, which started early last Wednesday, confirm the fears of the opposition that the country's three main forces – the Front, the army and the security forces – have no idea how to build a democracy.

The Front, which won a landslide victory in the elections, is a heterogeneous party but dominated by former communists.

Since January, it has swung between tolerating an opposition and resorting to mob rule, trends which reflect the Front's own weakness and disunity in trying to create genuine democratic institutions.

This was particularly evident last Friday when miners tried to evict the Group for Social Dialogue, a small, independent movement of intellectuals, from its headquarters.

For hours, Mr Gabrile Andreescu, one of the leaders of the Group, negotiated with Mr Roman, Mr Andre Plescu, the liberal-minded Minister of Culture, and the Ministry of Defence which during the day had sent the army to take over the building.

"We received contradictory statements," said Mrs Vera Campeanu, a prominent member of the Group. "Maybe there is a split between Iliescu and Roman about how far an opposition should be tolerated."

But of more concern are the many questions intellectuals are now asking about why the police and army allowed the mobs to take over Bucharest.

For instance, why did the police and army literally stand idly by on Wednesday evening when demonstrators set fire to the police headquarters?

And why, as the demonstrations continued, did the army itself not intervene? This would have ruled out the need for the mobs, who imposed their own law and order.

The government communiqué places the blame on "hesitant units in the army" as well as the lack of co-ordination between the police and the army in taking decisive action.

The army hesitated because it is divided between those (mostly young) officers who do not want anything to do with politics and those who see it as their duty to defend the state.

Those divisions go back to February, when a group of young officers set up the Committee for the Democratisation of the Army, aimed at ousting officers who had served under the Ceauşescu regime and introducing reforms.

The Front met the young officers' demands by sacking the Defence Minister and by demoting 5,000 officers of the "old guard".

But once the Front saw that the loyalty of the army was in question last week, it re-integrated the officers, and – more significantly – President Iliescu outlawed the Committee. This does not bode well for the future stability and unity in the army.

The hesitation by the army partly explains why Mr Iliescu called in the "people" to defend the state against "a fascist coup d'état".

But by mobilising the miners (just as in January and February) Mr Iliescu unleashed the old Ceauşescu forces on whom he remains dependent.

The miners are based in the Jui Valley where, in 1977, thousands of miners went on strike. Ceauşescu himself flew down to talk to them, but the miners stoned his helicopter. The authorities met the miners' demands for better pay; but soon afterwards, the strike leaders disappeared. More important, many Securitate (secret police) were then sent to work in the mines to monitor any unrest.

Intellectuals now say that these Securitate officials directed the miners to the headquarters of the Liberal and Peasants parties, to the television, and to the newspaper offices of Romania Libera, an open critic of the Front.

But in singling out for attack all the opposition groups who have no connection with the so-called "fascist coup", the Front exposed its own vulnerability. If it lost control over the miners to the security forces, then it will continue to remain dependent on the old Securitate machine.

In a country dominated by lies and rumour, seeking the truth to the Front's real intentions will remain elusive.

But judging from statements by Mr Iliescu and Mr Roman, both of whom show not the slightest shame or regret for the violence, the Front's sympathies were with the mobs and against the opposition.

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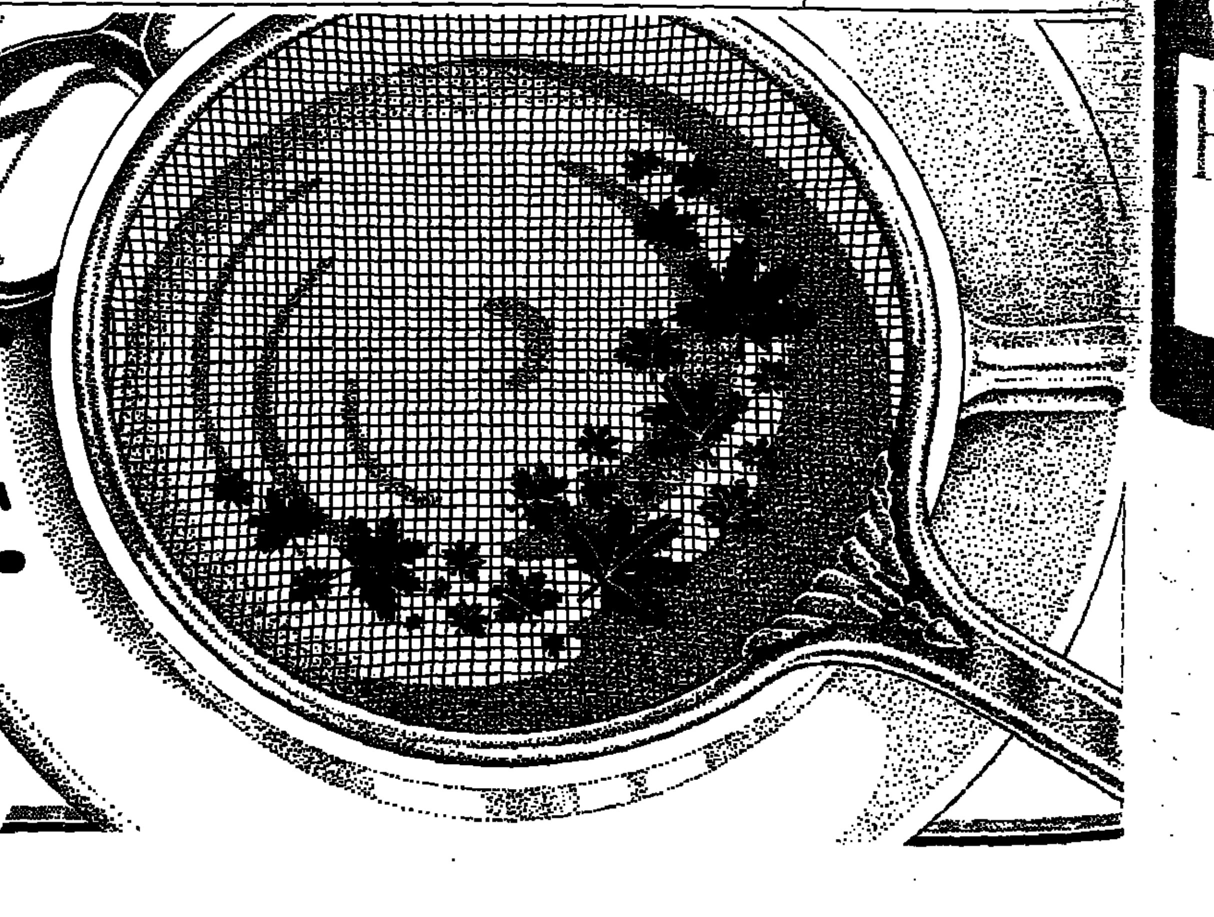

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France prepares to reassess cosy links with Africa

Ian Davidson examines the unsettled political and economic backdrop to this week's critical summit

THE Franco-African summit meeting this week is taking place at a moment of growing political and economic crisis for a number of the African participants, and at a critical juncture in France's African policy.

The Ivory Coast and Gabon are only the most recent countries in Africa to have been shaken by large demonstrations of political protest: in the Ivory Coast by disaffected military conscripts, in Gabon by opposition groups.

But many other African countries are also in deep economic and political trouble. With only two days left before the opening of the summit, the French authorities are still not sure just how many of the heads of state will feel it is safe to leave their capitals.

The summit, at the resort of La Baule on the French Atlantic coast, may also mark a turning point in France's policy towards Africa.

The disturbances in Ivory Coast and Gabon have released a rising tide of disapproval in the French press of the balance sheet of French policy in Africa. In particular, French press criticism blames France for having knowingly connived at the perpetuation, in its former colonies, of regimes which are corrupt, autocratic and incompetent.

The barrage of criticism has made the French Government ultra-sensitive in rejecting accusations that it is engaged in propping up repressive regimes in Africa. When President Felix Houphouet-Boigny of Ivory Coast reacted to his domestic political troubles by calling on France to implement their bilateral defence pact, the French Government sent a single colonel on a reconnaissance visit.

In response to the protest demonstrations in Port-Gentil, France sent 200 soldiers to Gabon; but the Government went out of its way to make clear that their job was to protect or evacuate French citizens, not to keep order or protect the Gabonese Government.

In response to the sharp deterioration in the economies of many African countries, President François Mitterrand is expected this week to outline new proposals for easing the debt problems of middle-income countries. At the same time, however, he is likely to distance himself from the disastrous image of many African leaders, by lecturing his African visitors at length on the importance of pluralistic democracy and human rights.

Under the pressure of the street, Ivory Coast, Gabon and Benin have reluctantly conceded the principle of abandoning one-party rule. But President Houphouet-Boigny has been in power for 30 years, President Omar Bongo of Gabon for 23 years, and President Mathieu Kérékou of Benin for 17 years.

Other countries like Mali, Niger and Cameroon are one-party states still, while Zaire's President Mobutu, notorious for corruption and repression, has been in power for 25 years.

Local press criticism of the French Government's Africa policies climaxed most spectacularly in a recent attack on the personal role of Mr Jean-Christophe Mitterrand, son of the president and his personal representative in the handling of France's African policy.

Under the Fifth Republic, France's policy on Africa has always been a special preserve of the Elysée Palace. In General de Gaulle's time the functions of Africa supremo and intelligence overlord were notoriously combined in the hands of Mr Jacques Foccard, *éminence grise* at the Elysée Palace. But even the French press has been caustic at the monarchical implications of entrusting such a portfolio of state to a man whose only obvious quality is that he is the son of the president.

Last week the news magazine L'Evènement du Jeudi lost the law-suit brought by Mr Jean-Christophe Mitterrand – known throughout Africa as "PapaMaDit" or "Daddy-Said" – for its insinuations that his role in African affairs had not been either clean or competent.

But the more general point in the magazine's article, headlined Africa: the Bankruptcy of French Policy, is that France has for too long been too closely and too uncritically identified with regimes which do not deserve such support. This has been a common theme of the current chorus of French press criticism.

In theory France's ex-colonies have been independent for exactly 30 years. In practice, successive French governments have appeared to conduct their relations with their ex-colonies on the cosy principles of closed markets, government influence, and secret deals.

In this conspiratorial relationship, both sides have paid too much for too little: the French have provided too much aid, which has been misused or corruptly diverted; the ex-colonies have paid too much for French exports and French arms contracts.

Centre-piece of this cosy relationship is the franc zone, in which France guarantees a fixed exchange rate of 50 African CFA francs for one French franc in hard currency. The idealism of such a scheme is that it assumes a common approach to legality and economic self-discipline in all the beneficiary countries.

In conditions of wholesale economic decline, such an assumption is manifestly unjustified. Instead, the system merely encourages the illegal export of capital by corrupt political leaders.

Earlier this year Prime Minister Michel Rocard took the audacious step of commissioning a special report on French development policy. The report, by Mr Stéphane Hessel, a highly respected professional in the field, has still not been published.

But newspaper articles and interviews have made clear that he has argued for a clean-up of French policy, with more emphasis on democracy and the rights of man. Word of this report has evidently shaken the dovecots in some African capitals.

Mr Michel Aurillac, Development Minister in the 1986-88 government of Mr Jacques Chirac, is unrepentant of France's commitment to Africa.

He believes that Africa, left to itself, faces economic despair, with the prospect of anarchy or mass emigration. Europe has therefore no option but to help.

He may be right. For the moment, however, France seems to be stranded between the expensive and ineffective quasi-colonialist policy of the past, and a new arms-length, politically-enlightened development policy which might have a chance of enduring in the future.

Algeria's neighbours worry about Islamic militants

By **Francis Ghilès** in Algiers

THE VICTORY of the Islamic Salvation Front (FIS) in Algeria's local elections last week was unwelcome news for Tunisia's President, Mr Zime El Abidine Ben Ali, and King Hassan of Morocco.

Their apprehensions about the future course of domestic politics in North Africa's largest country are shared in Paris, Rome and Madrid.

France has several million immigrants of North African origin – over half from Algeria – while Italy and Spain have to contend with growing pressure of illegal immigrants from southern Mediterranean shores.

Whatever the future holds for 23m Algerians – and the more educated women are deeply unhappy about the poll result after verbal and physical violence on the part of Islamic militants – the June 13 election marks a date in the history of the Maghreb.

For the first time since Algeria, Morocco and Tunisia gained independence between 1956 and 1962, elections in which voters had a real and free choice have taken place.

For President Chadli Bendjedid's neighbours, the fact that the party which has held a monopoly of power in Algeria since 1962, the Front de Libération National, has accepted the verdict of the polls and surrendered control of a majority of provincial towns and councils to the FIS will increase the pressure for fairer and freer elections.

The Tunisian leader faces a dilemma. He came to power in November 1987 because the increasingly dictatorial and erratic behaviour of his ageing predecessor, Mr Habib Bourguiba, had led to daily street battles in Tunis.

Although he has breathed fresh air into Tunisian politics and promoted a more liberal economic policy, Mr Ben Ali is adamant in his refusal to grant legal recognition to the En Nahda (The Awakening) fundamentalist movement.

The movement polled a quarter of the vote in many towns where it presented independent candidates in last year's general election.

But Mr Ben Ali is withholding legal recognition on the grounds that no party must be beholden to a religion or a region in the country. He argues that moves towards greater democracy must come step by step and be accompanied by a higher standard of living and education.

Yet his advisers could spare the president the spectacle of local elections, as took place eight days ago, which are boycotted by all opposition parties and in which the ruling party wins virtually all the seats.

The leader of the Tunisian fundamentalists, Mr Rachid Ghannouchi, undoubtedly draws comfort from the Algerian elections and no doubt feels he can bide his time.

Reforming the Tunisian economy is slow and painful, even though the country is better managed than Morocco and Algeria. But reforms are not helped by the net outflow of hard currency which results from debt repayment and Europe's tight purse strings. Nor can Mr Ben Ali or his neighbours hope to find jobs for the growing numbers entering the labour market.

King Hassan of Morocco faces a dilemma of a different nature. So far, the fact that he is the scion of a three-centuries-old dynasty and proclaimed as a descendant of the prophet Mohammed has allowed him – with the help of a ruthlessly efficient security force – to control the manifestations and spread of radical Islamic ideas.

He has been helped by the fact that Morocco, like Tunisia, retained its identity and the physical fabric of its old cities intact during French colonial rule. Much of Algerian society was destroyed during the 50 years it took the French army to conquer the country after 1830 and again during the independence struggle between 1954 and 1962.

In Morocco, however, class differences remain stark and could spell trouble.

Furthermore, the king can expect little sympathy from FIS leaders, were they to gain control of the Algerian government or presidency, for the links he retains with Israeli leaders.

The next few months will be uncomfortable for Algeria's neighbours – in the Maghreb and in Europe. The country is entering uncharted waters.

Whatever happens, whether further gains by the fundamentalists or a reaction against them, Algeria's neighbours can derive little consolation from their inability to influence the outcome.

Italy acts on illegal immigrants

By **John Wyles** in Rome

THE Italian Government is to introduce visa requirements from July 1 for visitors from the Maghreb countries and from Turkey in an attempt to clamp down on illegal immigration.

The move is part of Italy's first broadly-based approach to managing immigrant flows in the wake of rising public concern at the estimated 900,000 non-European Community citizens thought to be temporarily or permanently resident in the country.

Rome has also been under pressure from its EC partners to tighten its border controls if it wishes to be part of an agreement by the Benelux countries, France and West Germany to abolish all border restrictions between them.

NEWS IN BRIEF

IMF urges austerity to cut Greek deficit

THE International Monetary Fund has called for stricter measures to trim Greece's record public sector deficit to manageable proportions over the next three years, **Kerin Hope writes from Athens.**

A supplementary IMF report on the Greek economy, which took into account a recent freeze on wage increases, a rise in value added tax and price increases for transport, utilities and luxury goods, was made public at the weekend.

The report said the conservative government's economic policies "constitute important progress in the direction of fiscal rehabilitation" but noted that spending cuts were "relatively mild" and would be hard to carry out.

"Further fiscal reform will have to place emphasis on reducing spending, widening the tax base and curbing tax evasion," the report said.

Yugoslav production declines

Yugoslavia reported a record 15.6 per cent drop in industrial production in May, only two weeks before a second economic reform package is to be announced, **writes Laura Silver in Belgrade.**

An overall 10 per cent drop was recorded for the first five months of this year, compared with the same period last year. The second stage of economic reform will be aimed at stimulating investment by lifting the freeze on wages and prices in effect since last December.

The disappointing industrial production result tarnishes an otherwise successful economic reform programme which has reduced inflation, built up reserves, and introduced the convertibility of the dinar, which is tied to the D-Mark.

Shell in Venezuela talks

The Venezuelan Government is holding negotiations with Royal Dutch/Shell on a $3bn (£1.77bn) joint venture project to exploit natural gas fields in Venezuela, President Carlos Andrés Pérez has announced, **Joseph Mann in Caracas writes.**

The project envisions the development of large underwater gas fields lying off Venezuela's eastern coast, as well as construction of a 45km pipeline, a gas liquefaction plant and other facilities. Venezuelan oil industry planners expect to sell the gas, in the form of liquefied natural gas, to clients in the US.

Guyana devalues by 26%

Guyana has devalued its currency by 26 per cent and will deregulate parts of the state-run economy to meet conditions for loans from the International Monetary Fund and other multilateral institutions, **writes Canute James from Kingston.**

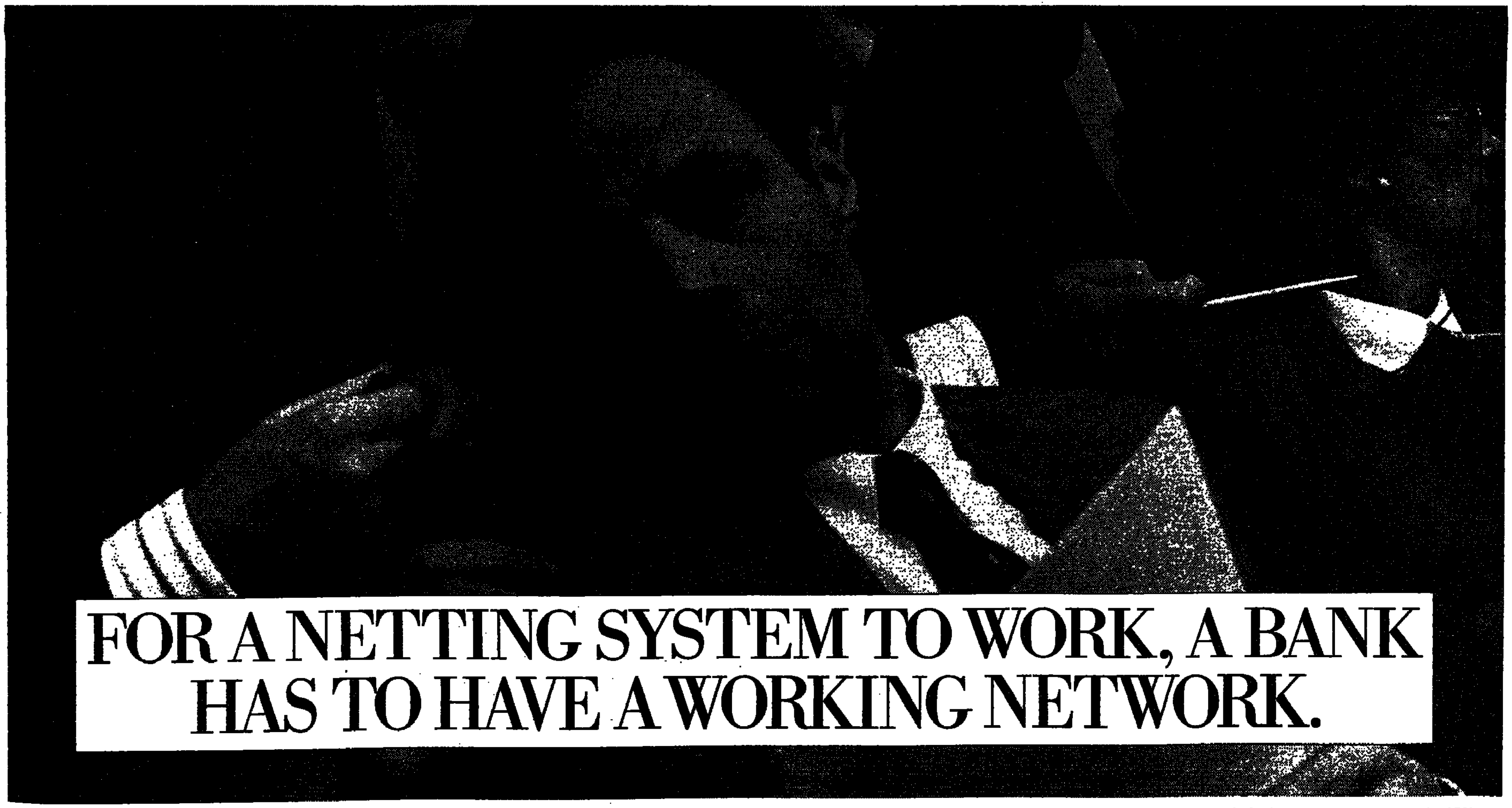
Mr Carl Greenidge, the Finance Minister, said the new rate for the Guyana dollar would be 45 to the US dollar. This is the second change in parity in the past 14 months. In April last year the currency was devalued by 70 per cent.

Vietnam cracks down on collaboration

Vietnam, tightening its security net against what it calls an imperialist threat, has discovered 30 local companies operating illegal joint ventures with foreign companies and 200 foreigners entering the country illegally, **Reuter reports from Bangkok.**

Moi ends multi-party debate

President Daniel arap Moi of Kenya has ordered an end to a three-month debate on the merits of a multi-party democracy, saying the country was firmly behind him and the sole legal party, Kanu, **writes Julian Ozanne in Nairobi.**



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East and west to co-operate on environment

By David Thomas in Dublin

EAST European countries, including the Soviet Union, will participate in the European Environment Agency, the body being established by the European Community in the face of the environmental concern sweeping the continent.

This decision – which will result in the first formal Soviet participation in an EC institution – was one of the few tangible outcomes of a day-long conference between EC environment ministers and their east European counterparts this weekend in Dublin.

But the ministers unanimously hailed the Dublin conference, the first of its kind, for allowing western Europe a direct account of the east European environmental disaster. "Brutally frank" (Mr David Trippier, UK Environment Minister) and "far beyond our expectations" (Mr Carlo Ripa di Meana, EC Environment Commissioner) were just two comments on the reports made by East European ministers.

○ Life expectancy in Czechoslovakia is four to five years lower than in western Europe, and in places 10 years lower, thanks to industrial pollution, Mr Josef Vavrousek, the Czech minister said. Some 70 per cent of the country's trees are affected by pollution, while only about a third of its sewerage is adequately treated.

○ Large quantities of toxic waste have been poured untreated into about 15,000 waste dumps, many of them illegal, said Mr Carl Steinberg, the East German minister. Some 55 per cent of East German forests are damaged and more than 40 per cent of waste water is untreated.

○ "The most polluted part of Europe," was how Mr Bronislaw Kaminski, the Polish minister, described the industrial belt of Silesia. About three-quarters of Polish forests are threatened by acid rain, while a third of Polish rivers are unfit for *any* use.

Cynics might dismiss this catalogue of woe as an east European attempt to extract clean-up aid from the west. Yet the east European ministers, many previously green activists in their country's dissident movements, did not come to Dublin with a begging bowl. "It's very useful to have some financial assistance, but we can't rely on this. We have to solve our problems ourselves," said Mr Vavrousek.

The Polish minister explained that Poland had so far received about $25m (£14.8m) in environmental aid under the EC's Phare Programme, but Mr Kaminski reckoned that about $20bn was needed to restructure the Polish economy in a more environmentally benign way.

Instead of cash, the east Europeans asked for help with training, information and technology. "We are just starting to build up an environmental protection system," explained the Czech minister.

Linking east Europe into the new European Environment Agency – which is likely to be in Copenhagen or Madrid – will help to upgrade environmental data in the region. The EC is also planning to spread environmental training and technology by spreading the Phare programme to Bulgaria, Czechoslovakia, East Germany, Yugoslavia and Romania (if democratic reforms continue in the latter).

The Commission will also publish a code of conduct on environmental standards in plants built by west European companies in the east, including the Soviet Union, thereby ensuring that the west does not take advantage of eastern Europe's primitive environmental regulations.

But the ministers from the newly liberalising eastern bloc stressed that the really big environmental improvements will come from shifting their economies away from the Stalinist obsession with energy-intensive heavy industry.

Mr Kaminski said Poland needed to close about 100 polluting enterprises and appealed for western help in privatising the country's energy industry. Mr Steinberg explained that East Germany planned to cut its energy consumption by at least 1.5 per cent a year over the next 10 years.

US changes position on fund to cut use of CFCs

By Peter Riddell

THE Bush administration has changed policy and dropped its opposition to a new international fund to help developing nations reduce their use of chemicals which erode the ozone layer above the earth and allow through more damaging radiation from the sun.

The US is likely to contribute between $20m and $25m to a fund of at least $100m (£59m), though if China and India participate the fund could grow to more than $200m.

The US decision was made on the eve of this week's London conference which is expected to reach agreement on the creation of the fund to assist in the phasing out of such chemicals, chlorofluorocarbons (CFCs).

The policy reversal followed intense lobbying by foreign governments, including a letter to President George Bush urging reconsideration from Mrs Margaret Thatcher, by US companies fearing retaliation by countries participating in the fund, and by American environmentalists, including Mr William Reilly, the head of the administration's Environmental Protection Agency.

Until now the administration has opposed setting up a new fund rather than providing the same amount of aid through the existing resources of multilateral institutions such as the World Bank.

The creation of the fund, to be run by the World Bank, has been regarded as vital if China and India are to be won round to backing a treaty requiring a big reduction, and ultimate elimination, of CFCs. This is essential if action to preserve the ozone layer is to be effective. The US and most other countries now support a total phasing out of CFCs by the year 2000.

In announcing the shift in position, the White House said it would back the fund only on the condition it was not a precedent and in view of the "unique circumstances" that make it necessary.

The House of Representatives has already authorised $30m to help developing countries protect the ozone layer.

Baker the deal-maker leans on Shamir

The US Secretary of State is a manager after George Bush's heart, writes **Peter Riddell**

Baker: close friend of Bush for 32 years

THERE was nothing spontaneous or accidental about last week's outburst of frustration by Mr James Baker, the US Secretary of State, against the new Shamir Government's preconditions for Middle East peace talks – "when you're serious about peace, call us."

It was a carefully calculated move designed to put pressure on Israel. Not only did the remarks underline the gap between the US and Israeli leaderships, but they also highlighted Mr Baker's style of diplomacy.

He is, above all, a deal-maker – described by supporters and critics alike as a superb political tactician, an ultra-pragmatist, a brilliant handler of Congress and the press. The New Yorker recently quoted him as saying "I'm more interested in the game than in philosophy."

Mr Baker fits perfectly into the managerial pattern set by President George Bush, his close friend of 32 years, whom he has described as being like an older brother. Their focus is on problem-solving, epitomised by Mr Bush's personal, "dial-a-friend" approach with its succession of telephone calls to other world leaders.

In his 18 months in office Mr Baker has visited 31 countries, seeing Mr Eduard Shevardnadze, his Soviet opposite number, almost monthly since last summer. Contacts with Mr Hans-Dietrich Genscher, the West German foreign minister, have been even more frequent.

The Baker/Genscher axis has become increasingly important as the German question has moved to the centre of the political stage. It first developed last April and May when the US was faced with a split in Nato over the modernisation of short-range nuclear weapons based primarily in West Germany. In the manoeuvring before the Nato summit in Brussels in May 1989, Mr Baker and Mr Genscher began to appreciate each other as fellow deal-makers.

The relationship – matched by the one between Mr Bush and Chancellor Helmut Kohl – was crucial in the creation last February of the "2 plus 4" talks over the external aspects of German unification. By bringing both the Germanys and the four wartime allies (the US, the Soviet Union, Britain and France) together, it not only helped to prevent the isolation of Moscow but also stopped serious divisions in the west.

After an initial wary period, Mr Baker led the administration push last September and October to reach closer relations with the Soviet Union, to seek what he has called "points of mutual advantage" – in particular, to tie down a wide range of arms control agreements. Mr Bush and Mr Baker have seen Mr Mikhail Gorbachev – in Mrs Margaret Thatcher's phrase – as someone they can do business with.

This has led to a style of negotiations whereby, before each meeting, Mr Baker's advisers – notably Mr Robert Zoellick and Mr Dennis Ross – prepare proposals. Most recently, there was the nine-point plan of reassurance to the Soviet Union that a unified Germany within Nato would not threaten its interests.

This deal-making approach has obvious advantages at a time of rapid change, notably flexibility. The close Washington/Bonn axis has scored a clear success so far in preventing German unification from causing big divisions within Europe.

But there are disadvantages. The concentration on particular partners in deals can leave other allies feeling left out.

Moreover, it is not only conservative Republicans who feel that Mr Bush and Mr Baker are pinning US policy too much on Mr Gorbachev, and that the administration has slipped up in privately bad-mouthing Mr Boris Yeltsin.

Mr Baker may have travelled widely but he tends to concentrate on pressing problems (Germany and the Soviet Union now, or central America in the first half of last year), leaving other issues to one side. For instance, his own staff concede that insufficient attention has been paid to strengthening US links with Pacific Rim countries.

Mr Baker visited Australia last year to back the Asia Pacific Economic Co-operation initiative, but there has been little high-level political follow-up. Mr Baker's meeting last Friday in San Francisco with Mr Taro Nakayama, the Japanese Foreign Minister, was unusual and reflected the seriousness of the stalemate in current trade talks.

While Mr Baker has not visited the Middle East, apart from a brief stopover in Oman, he has spent a lot of time on the telephone, and in meetings in the US, with both Israeli and Arab leaders. His evident frustration with the new government in Israel reflects a feeling, fully shared by Mr Bush, that Mr Shamir is not a man with whom they can do business. The president, in particular, believes that Mr Shamir is devious and has misled him about settlements in the occupied territories.

The Bush administration, which has faced considerable criticism over its 18-month dialogue with the Palestine Liberation Organisation, is also furious that the PLO's leadership has not done more to condemn and discipline the perpetrators of the abortive terrorist attack on an Israeli beach two weeks ago.

Nevertheless, the US is not about to walk away from the issue. Mr Baker's remarks were carefully calculated to attract attention, to jolt both sides. He may feel annoyed, but he knows that the US, as the surviving superpower, is inescapably involved in the Middle East, as in the world's other problem areas.

Israeli officials insisted yesterday that a new right-wing government would work for Middle East peace but declined to say what alternatives it would offer to a US proposal for talks with Palestinians in Cairo, Reuter reports from Cairo.

Cabinet ministers said the government had not discussed new steps to quell a 30-month-old Palestinian uprising in the occupied West Bank and Gaza Strip.

Cabinet Secretary Eliyakim Rubinstein denied that he had rejected James Baker's formula for the Cairo talks.

The officials played down a US proposal for the talks on preparing Israeli-sponsored Palestinian elections in the occupied territories.

Native Canadians stall approval of Meech Lake deal

THE tenacious tactics of the only aboriginal member of the Manitoba legislature have succeeded in stalling approval of Canada's Meech Lake constitutional package, while unleashing the most vigorous protests in years by the native community against political discrimination, **Bernard Simon writes from Toronto.**

Mr Elijah Harper, a former Cree Indian chief from northern Manitoba, has raised one procedural objection after another over the past week to prevent the Manitoba government from starting public hearings on the Meech Lake accord.

The hearings were promised 10 days ago to assuage public opinion after provincial premier Mr Gary Filmon backed away from his earlier opposition to Meech Lake and pledged to push for ratification ahead of the June 23 deadline.

Mr Harper's protests have brought to the surface a deep resentment among leaders of Canada's 500,000 Indians and Inuit (Eskimos) at their exclusion from the constitutional reform process.

The protest has also given a useful stick to Canada's opposition parties – divided among themselves on Meech Lake – with which to beat prime minister Brian Mulroney over his strategy of waiting until the 11th hour to negotiate a way out of the constitutional impasse.

The rotunda of the Manitoba legislature in Winnipeg was taken over last week by several hundred native protesters singing and dancing to the beat of tom-toms. In a further effort to stymie the public hearings, about 1,500 natives have asked to present evidence. Aboriginal leaders in other parts of Canada have endorsed Mr Harper's stand.

The natives' chief objection is Meech Lake's recognition of the "distinct" identity of Quebec and the accord's description of the "fundamental character" of Canada in terms of French and English-speaking people, without any nod towards the country's earliest inhabitants.

Four constitutional conferences since 1982 have failed to resolve the grievances of the Indian and Inuit communities, notably their demand for a greater degree of self-government. However, an agreement reached in Ottawa 10 days ago provides for further conferences to be held at least once every three years until these issues are settled.

As a result of Mr Harper's stalling tactics, the Manitoba public hearings are not expected to start until Wednesday, only three days short of the deadline for all 10 provinces to ratify Meech Lake.

The only other legislature yet to put its stamp on the accord, Newfoundland, is due to vote on either Thursday or Friday. Members of the province's House of Assembly have been freed from party discipline for the vote. The result is uncertain, but recent polls indicate that, despite misgivings on the contents of the accord, most Newfoundlanders favour passing it rather than risk encouraging a breakaway by Quebec.

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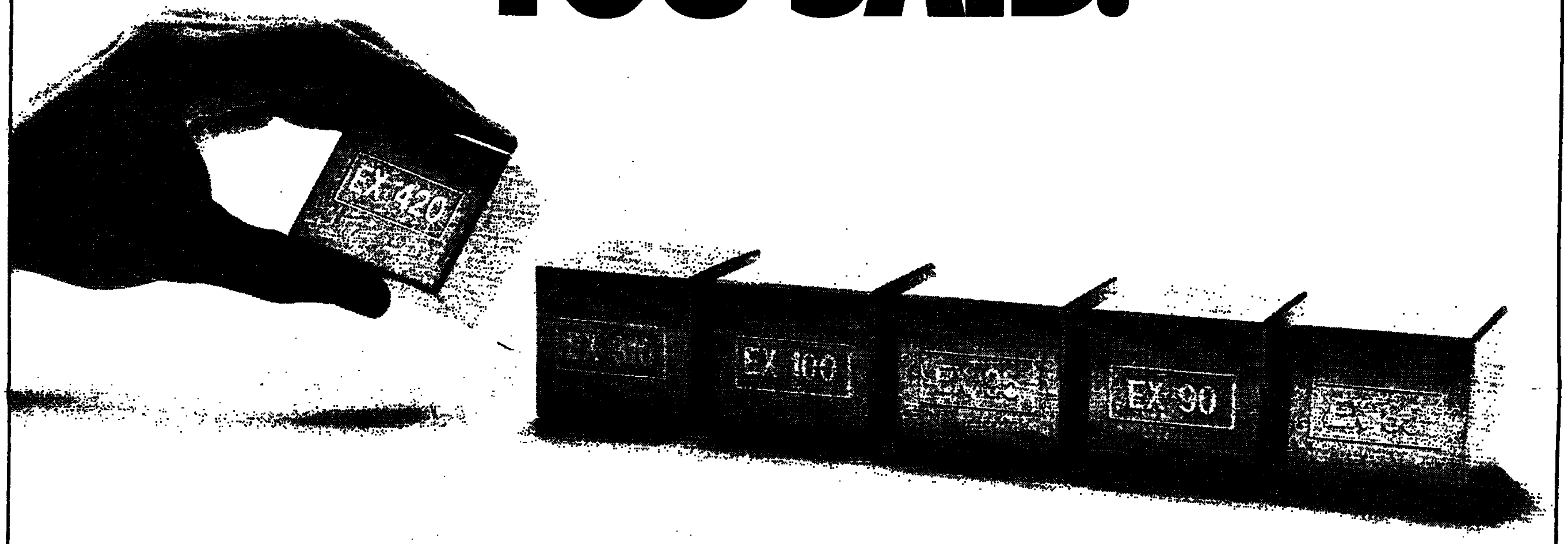

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Allied Irish Bank	15	Duncan Lawrie	15	R. Raphael & Sons	15
● Henry Ansbacher	15	Equatorial Bank plc	15	Roxburghe G'rantee	15½
Associates Cap Corp	15½	Exeter Trust Ltd	15½	Royal Bk of Scotland	15
● B & C Merchant Bank	15	Financial & Gen. Bank	15	Royal Trust Bank	15
Bank of Baroda	15	First National Bank Plc.	16½	● Smith & Williman Secs.	15
Banco Bilbao Vizcaya	15	● Robert Fleming & Co.	15	Standard Chartered	15
Bank Credit & Comm	15	Robert Fraser & Ptnrs.	15½	TSB	15
Bank of Cyprus	15	Girobank	15	Unibank plc	15
Bank of Ireland	15	● Guinness Mahon	15	● United Bk of Kuwait	15
Bank of India	15	HFC Bank plc	15	United Mizrahi Bank	15
Bank of Scotland	15	● Hambros Bank	15	Unity Trust Bank Plc	15
Banque Belge Ltd	15	Hampshire Trust Plc	15½	Western Trust	15
Barclays Bank	15	Heritable & Gen Inv Bnk.	15	Westpac Bank Corp.	15
Benchmark Bank PLC	15	● Hill Samuel	§15	Whiteaway Laidlaw	15½
Brit Bk of Mid East	15	C. Hoare & Co.	15	Yorkshire Bank	15
● Brown Shipley	15	Hongkong & Shangh	15		
CL Bank Nederland	15	● Leopold Joseph & Sons	15		
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FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

US yard sets sights on cruise ship order

By Roderick Oram
in New York

AVONDALE Industries, a New Orleans-based ship builder, is to prepare a firm offer to construct the Phoenix World City, a 250,000-ton cruise liner which would be the largest passenger ship in the world.

If Avondale constructs the ship at its yard up the Mississippi River from New Orleans, it will be the first large passenger vessel built in the US for more than 30 years. Like the handful of other US yards remaining, it relies heavily on work for the US Navy.

Avondale's proposal to bid reflects new-found competitiveness, with the help of recent Japanese advice, and shows how busy foreign yards are with a surge in orders after a decade-long decline.

The announcement opened the latest chapter in the saga of the proposed $1bn (£590m) ship, which Mr Knut Kloster, the Norwegian cruise ship magnate, has tried for more than five years to get off the drawing board.

In July 1988 a consortium of four West German yards beat Japanese competitors to sign a letter of agreement to build the ship for World City Corporation, the subsidiary Mr Kloster set up for the project.

The agreement foundered.

"With the uptick in the German and Far East shipbuilding markets, it has become difficult to get those yards to respond with a firm bid in a reasonable time," said Mr John Rogers, chief executive of World City.

"Our intention is to work with and encourage Avondale to bring in a low-cost bid."

World City will compensate Avondale for some of its bid preparation costs but the latter might face competition from foreign yards for the construction contract.

The US company, small by world standards, reported net profits of $1.8m last year.

Gorbachev to visit Japan

MR Mikhail Gorbachev, the Soviet leader, will visit Japan for the first time early next year, Mr Toshiki Kaifu, the Japanese Prime Minister announced yesterday, Stefan Wagstyl writes from Tokyo.

Mr Kaifu told a conference of the ruling Liberal Democratic Party that he had received a letter confirming the visit from Mr Gorbachev.

The visit will raise hopes in Japan that the Soviet leader may settle the dispute over four islands north of Japan which the Soviet Union seized in the last days of the Second World War and which Japan insists should be returned. The issue has poisoned relations between the two countries since 1945.

However, a senior Gorbachev aide said territorial problems inside the Soviet Union might make it impossible for the issue to be discussed.

Brazil backs Peru export project

By Sally Bowen in Lima

BANCO de Brasil is funding a $63m (£37.27m) complementary credit to allow completion of the first stage of Peru's ambitious Chavimochic irrigation project.

According to a senior manager at Norberto Odebrecht, the Brazilian company responsible for the bulk of the site's engineering, the "political decision" has been taken to top up $157.5m already lent by Banco de Brasil.

The additional funds will build two more agri-industrial plants to process asparagus and tomato paste for export to Japan and the North American markets, as well as a small hydro-electric power station to guarantee energy supply to the industries.

The Chavimochic project, which will eventually cost $1.2bn, takes its name from the four valleys of Chao, Viru, Moche and Chicama on the central coast about 300 miles north of the capital. The plan is to incorporate 43,000 hectares of presently uncultivated land for export-oriented agricultural use.

The project, favoured by outgoing President Alan Garcia and largely funded by the cash-starved Peruvian Treasury, has suffered a series of financing setbacks, although the bulk of the biggest irrigation channels and tunnels are ready to operate later this year.

The first tomato processing plant will begin production in November.

Mitsubishi, Sumitomo and Chori, Japanese trading companies, have said they would purchase all the tomato paste produced. Odebrecht managers believe the first processing plant alone should earn Peru $20m a year in exports, and the next two another $45m.

Mr Alberto Fujimori, Peru's president elect, has already committed himself to continuing the Chavimochic project. His ability to survive the first few months of certain economic crisis after he takes over on July 28 will depend in part on achieving a rapid increase in Peruvian exports, hard hit by present government exchange rate policies.

Mr Fujimori also announced within days of his June 10 electoral victory over Mr Mario Vargas Llosa, a free-market champion, that his Government would put development rights to the huge Camisea gas field up for international tender. The field has recoverable reserves estimated at 10,800bn cu ft, doubling Peru's present total energy reserves.

Royal Dutch Shell had spent $200m on exploration and test drilling at two Camisea sites in Peru's central jungle before the state company Petroperu terminated their contract in late 1988. The company says it is keen to put together a consortium to raise the $1.3bn needed to construct the world's highest pipeline. This unprecedented engineering feat – running a double pipeline for gas and liquid hydrocarbons over the Andes – would take five years.

Meanwhile, Shell is advising Mr Fujimori's improvised team on current mining and energy legislation in nearby Latin American countries.

Mr Fujimori seems to accept the pressing need for changes in Peru's legislation governing foreign investment, and several international companies are cautiously optimistic over the possibilities.

Czechs pick partners to modernise telecoms

By Roderick Oram

THE Czech Government has chosen Bell Atlantic and US West, two US telecommunications companies, to partner it in establishing a cellular telephone service and modernising the country's existing phone system.

The two US groups will form a joint venture with the Czech Ministry of Posts and Telecommunications and will take a combined 49 per cent interest.

Construction of the cellular system is scheduled to begin in this year's third quarter, with service starting in the middle of next year.

US West is already working on a cellular network for Hungary. Mr Steven Andrews, president of the company's international arm, said that the systems in the two countries would give "us a firm base from which to build a wireless network serving eastern European customers."

Typical of the inadequate phone systems in eastern Europe, Czechoslovakia's current network has only 2.2m lines for 15.5m people.

The Czech deal was the second foreign contract Bell Atlantic has landed in a matter of days. Last week, the New Zealand Government chose it and its partner, Ameritech, another US regional phone company, to buy New Zealand Telecoms from it.

Semiconductor venture tosses down gauntlet

By Louise Kehoe in San Francisco

TWO INDUSTRY mavericks – one Japanese, the other American – have formed an independent joint venture to design and develop high-density memory chips, including a next-generation 16-megabit dynamic random access memory (D-Ram).

The venture between NMB Semiconductor of Japan and Ramtron of the US represents a unique international challenge to established industry leaders.

Ramtron, based in Colorado Springs, is a subsidiary of an Australian holding company. Ramtron has designed two generations of commercially successful memory chips for NMBS.

The six-year-old company aims soon, however, to make its own mark in the semiconductor market with a new type of memory chip called a ferro-electric random access memory (F-Ram) chip which it claims will have significant advantages over today's memory chip technology.

NMBS, majority-owned by Minebea, the Japanese ball-bearing manufacturer, has quickly established an international reputation for its highly automated memory chip manufacturing technology.

In January NMBS signed an agreement with Intel, one of the leading US semiconductor manufacturers, giving Intel exclusive rights to market NMBS's total production output world wide.

The joint venture company, which has yet to be named, will serve as a research, design and development resource for both Ramtron and NMBS. NMBS will own 55 per cent and Ramtron the remainder.

The new company, headquartered in Colorado Springs, is due to begin operations on July 1.

The company will at first employ 25 staff, all former NMBS and Ramtron personnel.

European chip makers limber up for battle

Sales are strong but bigger market share is proving elusive, writes **Michael Skapinker**

GENEVA was a city of peace, Mr Philippe Geyres, head of strategic planning at SGS-Thomson (ST), the Italian-French semiconductor company, told an industry conference there earlier this month. He, however, was there to speak about war – war against the Japanese in microchips.

Europe had "the muscle to fight it out even in the bloodiest of battlefields and win against even the most determined samurai," he said. Europe was ready to fight a clean war. It was up to Japan to avoid "nuclear weapons like dumping and chemical bombs like trade barriers."

Although many European semiconductor executives wince at Mr Geyres' bellicose rhetoric, they share his fighting spirit – and his insistence that Europe's technological survival hinges on the fate of their companies.

However, their eagerness to wrap themselves in the European flag raises a series of questions. Who really represents the European semiconductor industry; all the companies which manufacture chips in Europe and employ European Community nationals, or the handful which happen to be European-owned?

Equally, does it make sense for heavily-subsidised research programmes, notably the $4bn (£2.36bn) Joint European Submicron Silicon initiative (Jessi), to be limited to companies headquartered in Europe? And what purpose has been served by the extensive EC trade protection granted to Europe's semiconductor "champions"?

After years of languishing in the doldrums, Europe's chip market is suddenly booming. Last year it grew by 22 per cent, faster than the US or Japan, according to the Dataquest consultancy which organised the Geneva conference.

But although sales by the three largest European-owned chipmakers – Philips of The Netherlands, Siemens of West Germany and ST – have performed strongly, they still account for a mere 27 per cent of the European market.

Furthermore, the three companies have made precious little money from the business, and certainly not enough to fund the investments needed to stay competitive. The state-owned ST barely broke even last year after previously making losses. Philips, the only European-owned semiconductor company in the world's top 10, has recently lost so much money on chipmaking that some analysts doubt it can stay in the business.

The companies, however, insist semiconductors are of such industrial importance that unless Europe retains its capacity in advanced chip technology the entire European electronics sector will shrivel away.

Europe has two leading consumer electronics groups in Philips and Thomson of France, and is also strong in telecommunications. However, it is weak in computing, which accounts for 45.5 per cent of semiconductor purchases worldwide.

THE EUROPEAN MARKET

Of Europe's computer manufacturers only two, ICL of the UK and Olivetti of Italy, are profitable. Nixdorf of West Germany has been taken over by Siemens after making large losses. Norsk Data of Norway is in the red and Groupe Bull of France made a net loss last year.

Furthermore, most of these companies pay little more than lip service to the importance of maintaining a European-owned chip industry.

Mr Sadru Nanji, components purchasing manager at ICL, says he is more interested in high-quality, low-cost products delivered on time than in the nationality of the company which made them.

The European-owned computer companies objected to an agreement reached earlier this year between the European Commission and 11 Japanese chip manufacturers, establishing a floor price for dynamic random access memories (D-Rams). They also resent the 14 per cent EC tariff on imported semiconductors, a form of protection not enjoyed, they point out, by chip companies in the US and Japan.

Ironically, this protection may well hurt European-owned chipmakers more than it helps them. Fear of trade barriers around the European market has prompted a flood of US and Japanese investment in large-scale local production facilities.

Mr Bipin Parmar, director of European components at Dataquest, says the foreign investors would have come to Europe anyway and that their prime motivation is to improve service to local customers. But whatever the reason, no one doubts the new plants will make the going even harder for the European-owned manufacturers.

In addition to companies like Motorola, which has a well established European presence, Fujitsu is to establish a new plant in Britain, Hitachi and Mitsubishi in West Germany, Texas Instruments in Italy, and Intel in Ireland.

Many of the foreign-owned companies insist they are just as European as Philips, Siemens or SGS-Thomson.

Mr Barry Waite, British-born general manager of Motorola's European semiconductor group, says: "We design our products here, we build our products here. Of our top management team, only one is US-born.

"The manager of our Scottish facility was born in Edinburgh. The managers of our Toulouse and Bordeaux facilities were born in France. Our four design managers in Europe were born in Germany, Switzerland, the UK and France."

Mr Parmar expects the new plants to result in Europe supplying 80 per cent of its semiconductor needs by 1994, compared to 56 per cent today.

With foreign investment leading to greater European self-sufficiency, the case for restricting Jessi membership to European-owned companies looks less tenable.

Mr Raimondo Paletto, Jessi's president, says future participation by European-based US and Japanese companies is not out of the question. "Jessi is funded by European companies, governments and the EC. But it's not a fortress. If foreign companies make a strong commitment to research in Europe, have their factories in Europe and if those factories face the same conditions that European companies face, I think it would be right for the Jessi board to consider allowing those companies to participate," he says.

Privately, however, Jessi officials make it clear that only International Business Machines of the US currently meets Mr Paletto's requirements.

The Jessi board has already asked IBM to submit proposals for its participation. The exclusion of European-owned companies from Sematech, a parallel US industry project, and from Japanese research programmes, is likely to be used as a pretext to prevent other foreign companies from participating in Jessi.

But European-owned chipmakers' desire to keep Jessi to themselves has not stopped them forging alliances with their US and Japanese competitors.

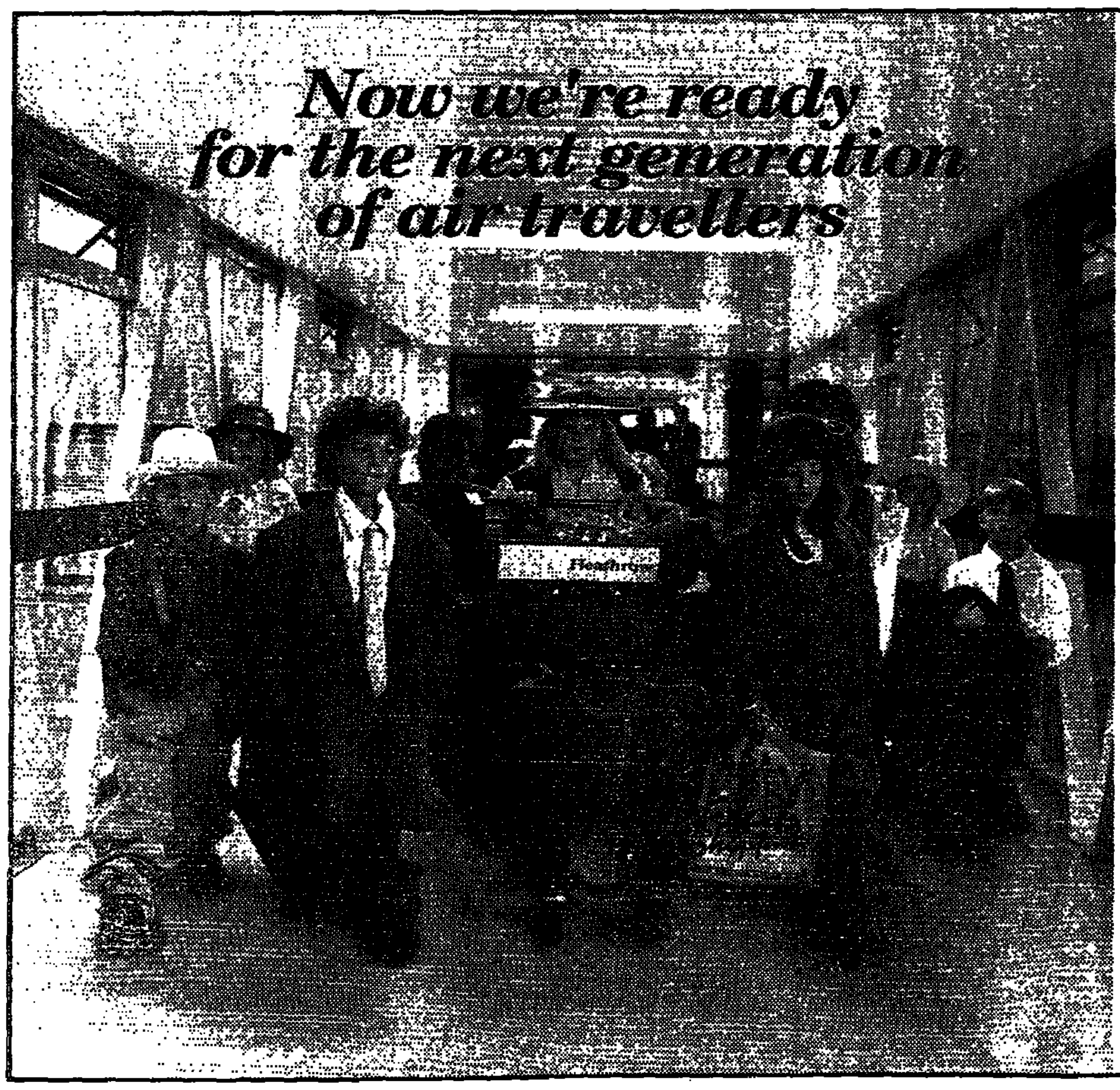
Siemens has chosen IBM as its partner for research into 64-megabit D-Rams which are expected to be available in the mid-1990s. Previously, Siemens turned to Toshiba of Japan to help it develop 1-megabit D-Rams.

Mr Parmar points out that such alliances are increasingly becoming a worldwide trend, as companies seek to share costs and gain access to new semiconductor technology. Texas Instruments, for example, has joined forces with Hitachi, Intel with Matsushita and Motorola with Toshiba.

Nevertheless, some of the Europeans appear to hope that the foreigners might not come to Europe after all.

Mr Albert Maringer, director of strategic planning at Siemens Semiconductor, says Japanese companies should reconsider their plans. They have over-optimistic expectations of the single European market, he says. The market is not going to grow as quickly as some of them think.

Whether the Japanese manufacturers take Mr Maringer's advice remains to be seen.



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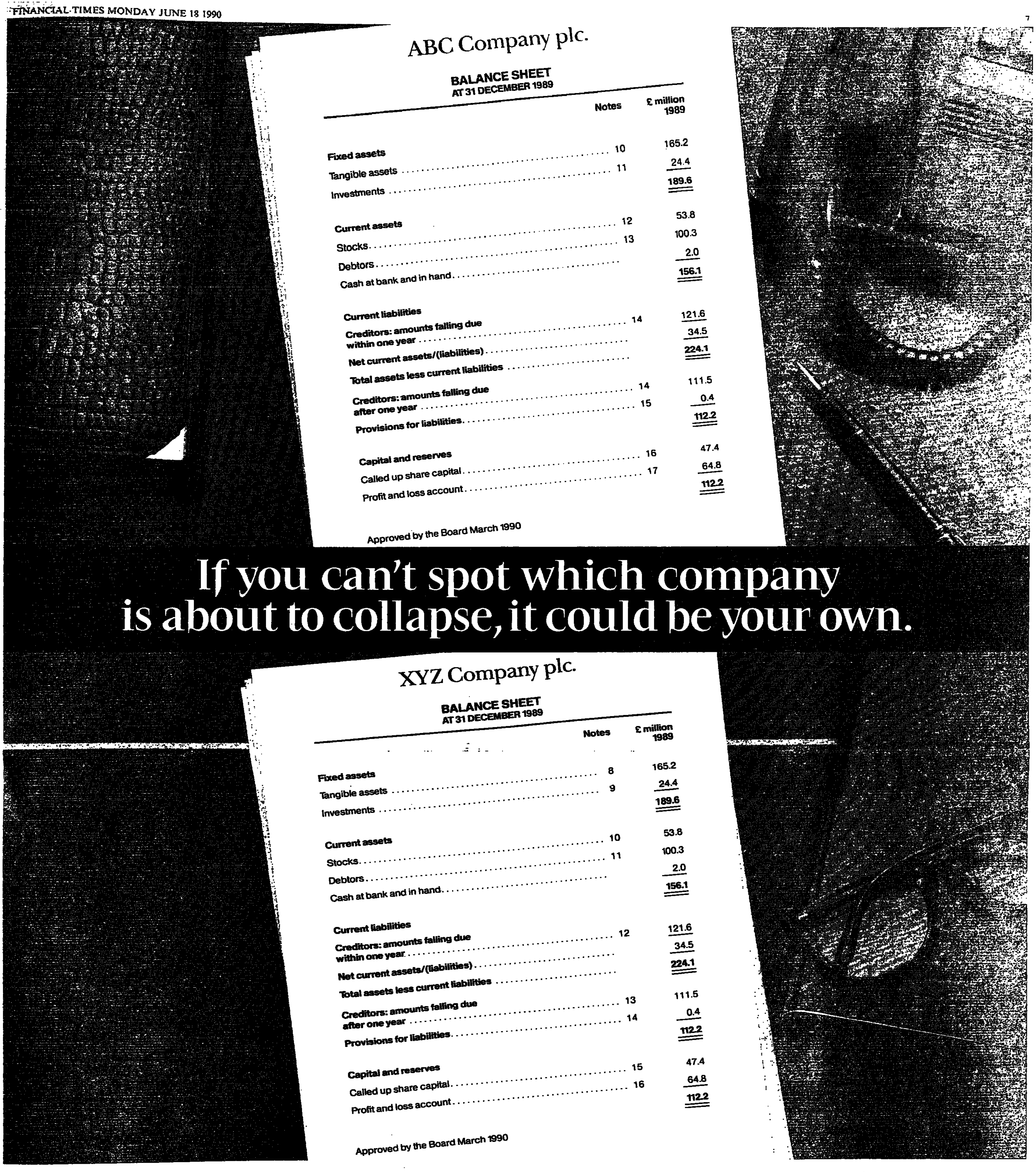
WORLD ECONOMIC INDICATORS

UNEMPLOYMENT

	May 90	Apr 90	Mar 90	May 89
W.Germany 000s	1,823	1,915	2,013	1,546
%	7.0	7.3	7.7	7.8
US 000s	6,653	6,770	6,495	6,419
%	5.3	5.4	5.2	5.2
UK 000s	1,578	1,626	1,647	1,802
%	5.5	5.7	5.8	6.3
	Apr 90	Feb 90	Jan 90	Apr 89
Japan 000s	1,410	1,410	1,420	1,500
%	2.2	2.2	2.3	2.4
France 000s	2,519	2,552	2,601	2,412
%	9.3	9.4	9.4	9.5
	Mar 90	Feb 90	Jan 90	Mar 89
Italy 000s	3,960	3,950	3,925	3,952
%	11.1	11.1	11.0	11.0
Belgium 000s	336	399	414	421
%	7.8	8.1	8.3	9.6

Source. (except US, UK, Japan) Eurostat



ABC Company plc.

BALANCE SHEET
AT 31 DECEMBER 1989

	Notes	£ million 1989
Fixed assets		
Tangible assets	10	165.2
Investments	11	24.4
		189.6
Current assets		
Stocks	12	53.8
Debtors	13	100.3
Cash at bank and in hand		2.0
		156.1
Current liabilities		
Creditors: amounts falling due within one year	14	121.6
Net current assets/(liabilities)		34.5
Total assets less current liabilities		224.1
Creditors: amounts falling due after one year	14	111.5
Provisions for liabilities	15	0.4
		112.2
Capital and reserves		
Called up share capital	16	47.4
Profit and loss account	17	64.8
		112.2

Approved by the Board March 1990

If you can't spot which company is about to collapse, it could be your own.

XYZ Company plc.

BALANCE SHEET
AT 31 DECEMBER 1989

	Notes	£ million 1989
Fixed assets		
Tangible assets	8	165.2
Investments	9	24.4
		189.6
Current assets		
Stocks	10	53.8
Debtors	11	100.3
Cash at bank and in hand		2.0
		156.1
Current liabilities		
Creditors: amounts falling due within one year	12	121.6
Net current assets/(liabilities)		34.5
Total assets less current liabilities		224.1
Creditors: amounts falling due after one year	13	111.5
Provisions for liabilities	14	0.4
		112.2
Capital and reserves		
Called up share capital	15	47.4
Profit and loss account	16	64.8
		112.2

Approved by the Board March 1990

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Net Income	15.4	17.5	14
Dividends	6.0	7.2	20
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UK NEWS

Troubled Sketchley will announce rights issue

By Nikki Tait

Institutional shareholders are understood to have demanded sweeping changes among the advisers of Sketchley, the dry cleaning and industrial services group, in return for supporting a "rescue" rights issue.

The call for cash will be announced today with the company's results for the year to end-March, which are expected to show a significant pre-tax loss, probably in the order of £2m to £3m.

This is in sharp contrast to the profit of about £6m which Sketchley forecast in March, when it was on the receiving end of a hostile bid from Godfrey Davis, the car dealing and laundry concern.

That forecast itself compared poorly with a £17.3m profit reported for the previous year, and caused Godfrey Davis to abandon its offer.

Sketchley later faced a second hostile offer, from Compass, the contract catering and services group. This was also defeated after Sketchley announced a change of management and the bidder declined to raise its initial terms.

Last month, the dry cleaning group jettisoned three more directors, warned that 1989/90 figures would fall "materially short" of the £6m forecast, and said that the final dividend was in doubt.


John Richardson

The new management team, headed by Mr John Richardson, a former managing director of Bond Corporation (UK) and chief executive of Hutchison Whampoa in Hong Kong, has been visiting Sketchley's institutional investors.

The investors are believed to have pressed for the departures of all those connected with the earlier profit forecast, which is already the subject of a Takeover Panel inquiry.

N.M. Rothschild, the merchant bank, is understood to have tendered its resignation reluctantly, and is being replaced by Samuel Montagu. Hoare Govett, Sketchley's stockbroker, is handing over to Panmure Gordon.

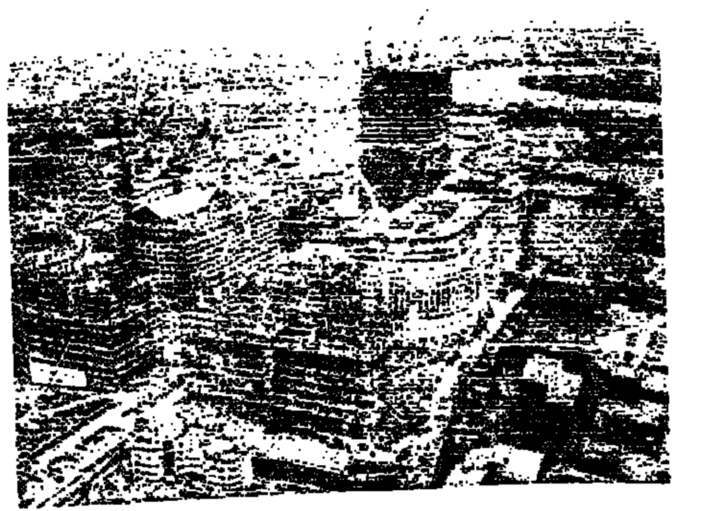
Mr John Gillum, the former merchant banker who was a non-executive director when the forecast was made but stepped up to become chairman when the former management departed, is also likely to depart at some stage, possibly at the next annual general meeting. Mr Gillum could not be reached for comment yesterday.

According to one source, the company has also been in discussions with its bankers and a rights issue was required to shore up the deteriorating balance sheet. Gearing at the 1989 year-end already stood at around 115 per cent.

The rights issue is likely to be made at a deep discount to Sketchley's share price, with no underwriting required.

The sequence of bad news has caused Sketchley's share price to slump badly.

By the close on Friday, the shares were trading at 203p, down 15p, compared with the initial 365p value of the Godfrey Davis cash-and-shares offer and the 269p-a-share all-paper bid from Compass.



Half of London's biggest building projects face delay

By Andrew Taylor, Construction Correspondent

ALMOST half of London's biggest construction projects are seriously delayed, some by as much two years, according to a survey conducted by Johnson Jackson Jeff project consultants.

The survey carried out on behalf of New Builder magazine showed that 42 out of more than 90 central London office schemes of more than 100,000 sq ft are running late.

These include new headquarters for Nomura, the Japanese securities house, in the City of London which the consultants say is running 24 months late: the second phase of Victoria Plaza above Victoria station, and parts of the Broadgate and Canary Wharf office schemes.

Other jobs currently running late but not in the survey include: the construction of two new grandstands at Lords cricket ground and new headquarters for the BBC on the site of the former White City sports stadium in West London which is also over budget.

Offices being built for British MPs at Westminster are running almost 12 months behind schedule. A report by a parliamentary select committee has blamed the contractors and the Property Services Agency, the government body that manages construction of public buildings, for the delays.

It said: "We regard the whole saga as a sorry commentary on the state of the building industry. We find it hard to believe that such a situation would have been allowed to develop if similar work were being undertaken for the parliaments of other European countries"

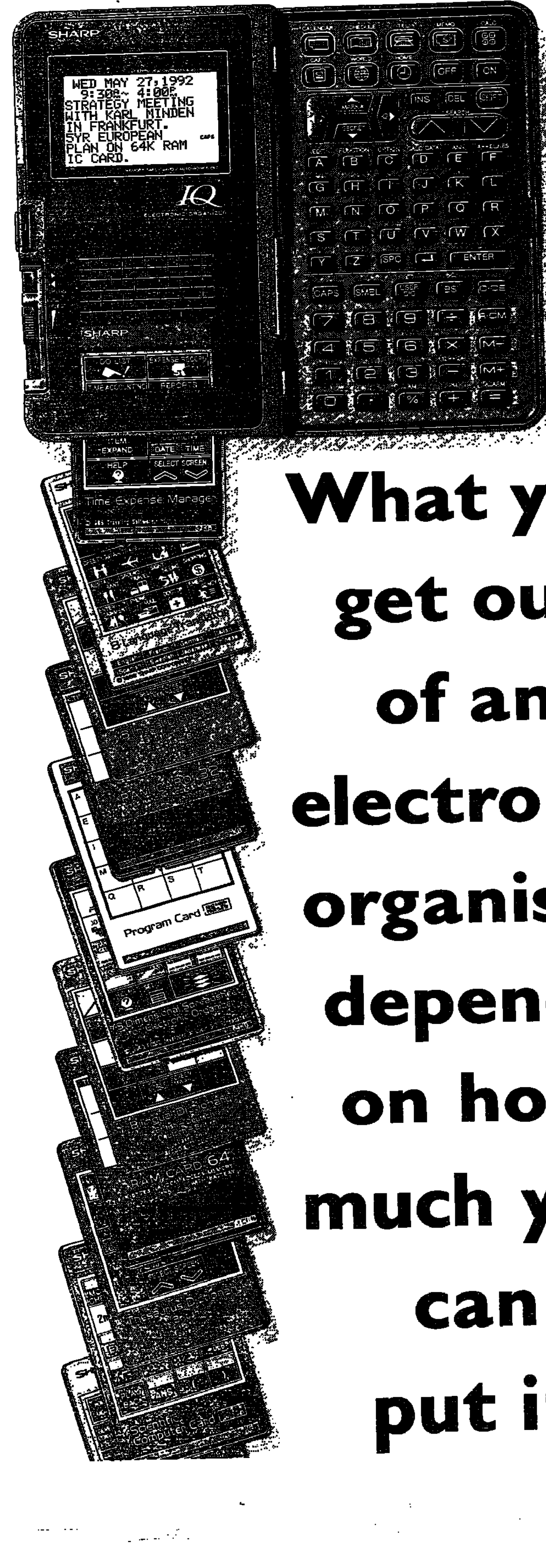
Johnson Jackson Jeff said reasons for delays vary from changes in tenants requirements, to management and design failure.

It says: "Over optimism about what can be achieved has created a cycle of problems. Design teams are so busy that tenders go out without adequate information. Management contractors pass the problems down the sub-contracting ladder so that greater strain is placed on the resources of smaller companies."

The number of claims for damages by developers and contractors for delays and cost overrun is currently rising by at between 10 per cent to 20 per cent a year according to Mr Jonathan Rosshandler, a partner at solicitors Nabarro Nathanson.

Some contractors say, however, that developers are delaying taking control of buildings while problems are put right.

They say small snags which would have been ignored when property prices were rising are now being used as an excuse to delay payments for work done.



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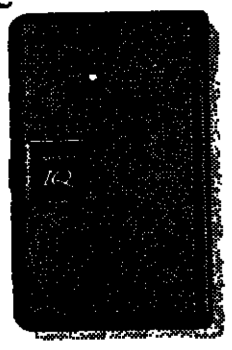

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Kinnock seeks to reassure voters over tax levels

By Michael Cassell, Political Correspondent

MR NEIL KINNOCK, the Labour leader, is tonight expected to reassure middle-income earners that they will be no worse off under a Labour government.

Mr Kinnock, who will be giving his first full television interview since the launch last month of Labour's new policy document, will pledge that there will be no increase in income tax for a large majority of taxpayers while there will be cuts for the least well off.

The party leadership says its own research suggests that plans for a series of tax bands stretching from below 20 per cent to 50 per cent are winning electoral approval, but Labour acknowledges that it has a big fight on its hands over taxation and economic issues.

A senior Labour strategist said last night: "Although the evidence suggests the voters support our plans to move towards a system of fairer taxation, the message that the vast majority of people will pay no more tax will have to be consistently reinforced."

Mr Kinnock has called a special two-day session of the shadow cabinet for the end of July which will prepare the party for the possibility of a general election campaign next year. The party leader believes that, in spite of the Government's present troubles, Mrs Thatcher might be tempted to call an election if the economic environment permits.

A summer campaign led by shadow cabinet members is being planned for the run-up to the autumn annual conference, which the leadership intends to conduct on the basis that it might be the last before the election.

Leading figures in the party will concentrate on the issues they see as the basic agenda for the election contest, including the quality of life, the environment and the management of the economy.

Last week the shadow cabinet received a preliminary report on voters' reactions to the recent policy launch. Opinion polls suggest that the overall message has been favourably received and that there is particular satisfaction that the party appears to have improved its image on issues such as defence and the trade unions.

Labour plans assault on government defence plan

By Michael Cassell

LABOUR will today use a Commons debate on defence to allege that the Government's current review of British defence requirements is in disarray.

The two-day debate on defence estimates comes as ministers and officials press ahead with an internal review of defence spending in the wake of political changes in eastern Europe and the Soviet Union.

Reports of a rift between Mr Tom King, the Defence Secretary, and Mr Alan Clark, the Minister for Defence Procurement, over the future shape of Britain's defences have been officially denied.

The opposition nevertheless plans to accuse defence ministers today of being divided on strategy and of undermining the morale of service chiefs.

Labour intends to push the Government into spelling out its latest thinking on the potential for defence cuts and to establish whether views on the issue vary.

Mr Martin O'Neill, Labour's defence spokesman, claimed there was "deep frustration and anxiety" within the armed forces about the present, low-key review of British defence requirements.

He said evidence of the present "shambles" could be seen in last month's decision to freeze temporarily all defence procurement.

Controversy after police and soccer fans clash

By John Wyles in Cagliari and **Alan Cane** in London

MR COLIN MOYNIHAN, Minister for Sport, and leaders of the England Football Supporters Association (FSA) were at odds yesterday over the wisdom of Italian policing tactics during violent clashes with English fans before the England-Netherlands World Cup soccer match on Saturday night.

Police waded into English supporters with flailing batons and tear gas after blocking and breaking up a march on the Sant'Elia stadium by well over a thousand fans. Many fans suffered cuts and bruising, five were arrested and one remained in hospital yesterday with a broken leg.

Mr Moynihan said yesterday: "The orchestrated incident before the match was a shocking reflection that a mindless minority of thugs can bring English football into international disrepute."

He said he was grateful to the police for their "swift, tough and decisive action".

There were no incidents after the game due, Mr Moynihan claimed, to British pressure on the Italian authorities to provide adequate numbers of coaches to take spectators away from the stadium.

But Mr Steven Beauchampe, FSA World Cup co-ordinator, said yesterday: "Mr Moynihan's statement smacks of a repeat of his ill considered responses to the trouble in West Germany, when he made no attempt to find out what really happened.

"Police launched a violent attack on England supporters, which helped contribute to making the problem worse."

In the subsequent mêlée, about 500 fans were chased into a petrol station forecourt and many were beaten with truncheons. They included Mr John Tummon, a member of the FSA executive, who suffered heavy bruising.

Mr Tummon said the police aggression against innocent fans was creating such resentment that "it is storing up problems for the mainland", where the England team will play if it qualifies after facing Egypt on Thursday.

Thames cable car link proposed

By Richard Tomkins, Transport Correspondent

A PRIVATE-SECTOR consortium has drawn up plans to build a Swiss-style cable car link in London to carry passengers across the Thames into Docklands.

If the scheme goes ahead, it will give central London its first completely new fixed link over the river since Tower Bridge opened in 1894.

The £20m system, called Sky Shuttle, has been proposed by a consortium led by Acer, the engineering consulting group that designed the Humber Bridge and two bridges over the Bosporus at Istanbul.

It would consist of a steel suspension bridge across the Thames carrying cable cars between the British Rail stations at North Woolwich on the north bank and Woolwich Arsenal to the south.

Based on Swiss technology, each shuttle would consist of a number of carriages suspended from an overhead track and hauled by steel cable.

Passengers would pay 50p for the journey of three quarters of a mile between the two shuttle interchanges. These would be immediately above the railway platforms.

Docklands is badly served by river crossings. Other than two tunnels for road traffic, the only links up-river from Tower Bridge are the Woolwich Ferry and the foot tunnels at Woolwich and Greenwich.

North Woolwich station is in the Royal Docks area next to London City Airport and is the terminus of the North London railway line.

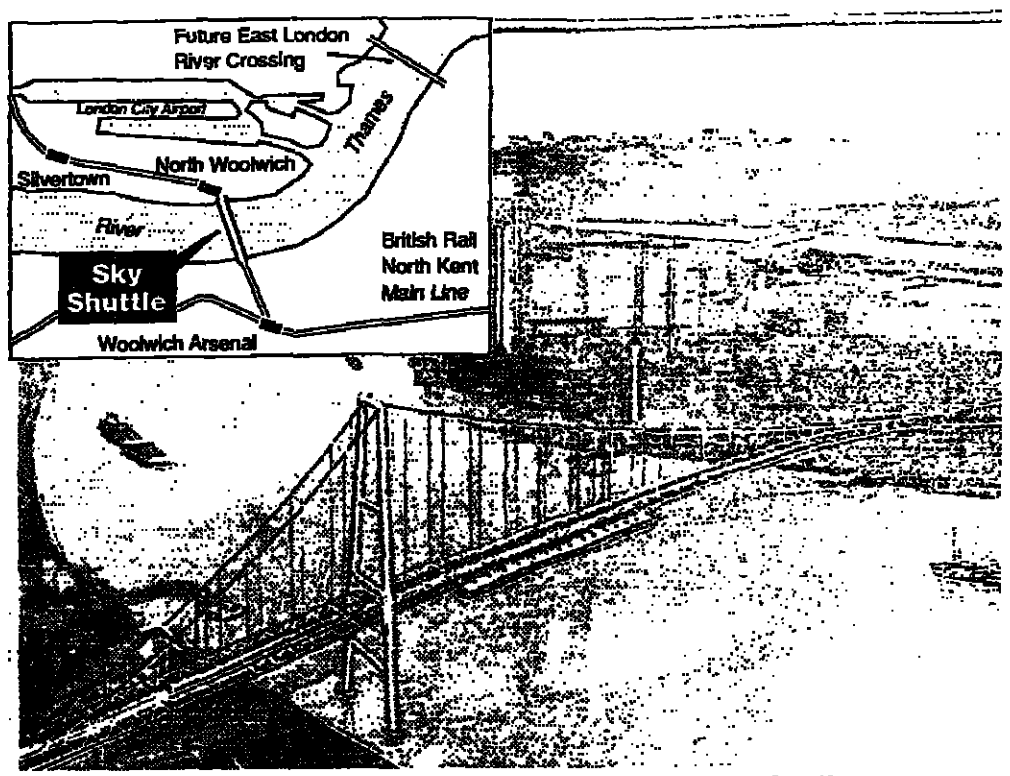
Acer believes the Sky Shuttle's planned three-minute crossing time would make it an attractive way of penetrating Docklands for passengers arriving at Woolwich Arsenal on the railway line from London Bridge to North Kent.

The consortium acknowledges that the case for the link, which it hopes to open in 1993, will be partly undermined by competing Docklands links such as the Jubilee Line extension, planned for the late 1990s.

None the less it believes that five years of rapid traffic growth, followed by a flattening out after 1998, will leave investors with a rate of return of at least 15 per cent over a 10-year payback period.

In addition to Acer, the consortium comprises Hambros Bank; the Swiss cable car manufacturer Math Streiff; the Swiss monorail specialist Aerometro; and Mr Peter Harrison, the engineer who conceived the shuttle.

Two hurdles have to be cleared before the scheme can proceed. The necessary finance has to be raised through a combination of debt and equity, and a private bill enabling the construction has to be steered through Parliament. The group said it was already talking to potential sponsors, and initial support had been indicated by the London Docklands Development Corporation, British Rail and London Transport.



An artists' impression of the Sky Shuttle and (inset) its proposed location

Merseyside order trend still positive

By Ian Hamilton Fazey, Northern Correspondent

ECONOMIC slowdown appears to be only just beginning to catch up with Merseyside, illustrating continuing buoyancy and confidence among industry and commerce in the north of England.

The latest quarterly survey of the Merseyside Chamber of Commerce and Industry shows a declining but still positive trend in both domestic and export orders and deliveries to the end of March.

More companies nevertheless managed to record rising sales than declining ones, with the bulk holding steady. Trends analysis suggests that domestic buoyancy peaked during the second and third quarters of last year, while export orders and deliveries did so in the fourth quarter. However, export markets are still stronger than at any other time last year.

Together with the north-east, Merseyside has one of two weakest northern sub-regional economies because of its narrow industrial base.

Cash flow was one of only two Merseyside trends that turned negative, with 25 per cent of companies reporting a worsening as against 21 per cent that saw an improvement. However, the bulk still find cash flow satisfactory.

Caution, rather than lack of confidence, seems to be the mood over investment. Only 15 per cent have revised plans for new machinery and plant downwards and 14 per cent for buildings. On the other hand, 69 per cent and 74 per cent are sticking to budgeted investment. There was a weakening in confidence over future turnover and profitability, but the trends remained positive.

The labour market is getting tighter, with a net gain in jobs among only 3 per cent of companies in the first quarter. A decline is forecast – involving a net 3 per cent of companies – in the current quarter.

With labour shortages affecting only managerial, white-collar, professional and skilled jobs, that means few prospects for Merseyside's large pool of unskilled jobless, which comprise the bulk of its 19 per cent male unemployment rate.

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Scandinavian Bank staff cuts expected

By Our Financial Staff

MORE City redundancies are expected this week after the acquisition announced earlier this month of Scandinavian Bank by one of its shareholders, Skandinaviska Enskilda Banken.

The acquisition of Scandinavian Bank is expected to result in radical slimming down of its current workforce. As many as two thirds of Scandinavian's 400 staff at its headquarters office may leave in the shake-up, according to bankers.

SE Banken did not comment on the reports. SE Banken, which previously owned 21.7 per cent of Scandinavian, bought out the other four shareholders for £152.7m.

About two years ago, Scandinavian changed its corporate strategy, allowing it to concentrate more on merchant banking activities.

That move, while supported by the other four shareholders – Norway's Den norske Bank, Union Bank of Finland, Denmark's Unibank and Iceland's Landsbanki Islands – did not please SE Banken, which was aiming to build up a similar business itself in London, in part through its Enskilda Securities subsidiary.

The purchase thus removes an important competitor for SE Banken in merchant banking. It also obtains Scandinavian's Swiss private bank subsidiary, which it has long sought.

SE Banken is said to be interested in Scandinavian's treasury and corporate finance divisions, but less so in more traditional banking businesses where some of the redundancies are expected.

London equities trader reopens in Scotland

By James Buxton, Scottish Correspondent

COUNTY NatWest WoodMac, the equities arm of County NatWest, the investment bank, is resuming equities trading for institutions in Edinburgh, 11 years after it moved all trading to London.

The move reflects the fact that with the introduction of screen-based trading on the London Stock Exchange, equities traders can operate anywhere telecommunications are adequate.

It also means that County NatWest WoodMac can serve its Scottish institutional clients on their own doorstep.

The bulk of County NatWest WoodMac's trading operation will remain in London but a small number of equities sales staff and one equities trader will operate from Edinburgh from the beginning of next month.

"It means that we can get closer to clients such as the Scottish life assurance companies and fund managers who may wish to deal through people they can meet in person," said a County NatWest WoodMac executive. "Operating costs here are lower and the quality of life superior."

Although Scottish institutions have investment portfolios worth about £80bn, until recently there was no purely institutional stockbroker in Edinburgh or Glasgow to service them.

Last autumn Roderick Sutherland & Partners was set up in Edinburgh to deal with institutional clients.

County NatWest WoodMac traces its origins to the Edinburgh stockbrokers Wood Mackenzie which entered the London securities trading market in 1973 and moved all trading to London in 1979. In 1988 Wood Mackenzie's institutional stockbroking business, then part of Hill Samuel, was sold by its parent TSB Group to County NatWest.

The Edinburgh office contains about a quarter of County NatWest WoodMac's research staff and carries out other back-office functions, although settlement is centralised in London.

Net inflow at National Savings

NATIONAL Savings attracted a net £70.8m in savings last month, the second successive month that savings have exceeded withdrawals, writes David Waller.

Although a net £169.6m was withdrawn from fixed-interest National Savings certificates, that was more than balanced by an inflow of funds into schemes paying interest gross.

Most popular were income bonds and the investment account, which attracted a net inflow of £134m and £81.8m respectively, reflecting the introduction of independent taxation for married women as from the beginning of April.

In the first two months of the financial year, there has been a net addition to National Savings funds of £151.2m, taking the total to £35.5bn.

That was down from the £36.8bn total at the end of May 1989, but the pick-up in savings over the last two months reverses a trend whereby there was a net outflow of funds for 18 successive months.

Reports argue for monetary union

By Andrew Marshall, Economics Staff

ARGUMENTS over full UK membership of the European Monetary System are about to be overtaken by European moves towards monetary union, according to two newly published papers from research bodies of opposing political persuasions.

One is published by the new left-of-centre Institute for Public Policy Research, the other by the Adam Smith Institute, whose advocacy of free-market policies has been highly influential in the past decade.

Mr Nicholas Gibb, writing in the ASI paper, says the EMS "is no panacea" for the UK's economic ills and will not provide a defence against inflation.

He says the EMS will not provide exchange-rate stability, and points out that there were 10 realignments between 1979 and 1988. The persistence of realignments will mean continuing uncertainty for business.

"Those who argue for the case for membership of the ERM on the basis of the advantages of stable exchange rates are in fact arguing for EMU (European monetary union)," he says, urging that the issue of monetary union be debated before Britain's entry into the exchange-rate mechanisms of the EMS rather than after.

The IPPR says in its study that the rest of the EC is rapidly moving towards EMU, leaving Britain out.

The paper is written by Mr Gavyn Davies of Goldman Sachs, Mr David Currie of the London Business School, Mr Neil MacKinnnon of Yamaichi International, and Ms Irene Brunskill of the IPPR. They urge the Government to commit itself to union so that Britain's legitimate concerns about the pace of change can be effectively stated at the intergovernment conference due to be held in December.

The authors advocate:

- Joining the ERM as soon as possible;
- Accepting full EMU;
- Proposing an extension of Stage 2 as envisaged in the Delors Plan, to provide a breathing space;
- A rapid build-up in the EC's resources for regional assistance;
- Specific criteria to be met before moving from stage 2 to full EMU;
- More autonomy for the Bank of England.

Bucking The Market. ASI, PO Box 316, London SW1P 3DJ, £9; EMU - The Issues. IPPR, 18 Buckingham Gate, London SW1, £10.

NEWS IN BRIEF

EC gives go-ahead to AIDS drug

WELLCOME, the UK pharmaceuticals company, has received provisional clearance from a European Commission committee for wider use of its Retrovir AIDS treatment, writes Peter Marsh.

The recommendation has come from the commission's Committee for Proprietary Medicinal Products. It is a first step in the effort by Wellcome to market the product in the European Community for people who have the human immunodeficiency virus (HIV) which causes AIDS but who have not progressed to full signs of the disease.

Earlier this year Wellcome applied to individual EC countries for permission to sell the drug, the only medication licensed to treat AIDS, for the wider use. The committee decided to consider the applications centrally.

Advertising gloom

THE ADVERTISING industry is set for years of sluggish growth in which advertisers may be reluctant to invest in innovative campaigns, according to a survey of art directors in leading London agencies, writes Alice Rawsthorn.

The survey by the Design & Art Directors Association, suggests that financial pressure may make companies cautious about creative content.

In recent months the advertising industry has suffered a significant slowdown in expenditure. Most respondents to the D&AD survey – which used Gallup, the market research company, to canvass the views of 100 agency creative directors – expected the slowdown to continue. Nearly three quarters believed creative standards would be threatened in the early 1990s.

The respondents expressed concern about the advertising industry's public image. Most suspected that the public did not think of advertising as "hard work".

Steel output levels

THE DECLINE in steel production which set in during the second half of last year may have bottomed out, according to official estimates, writes Charles Leadbeater, Industrial Editor.

Seasonally adjusted steel output rose marginally in May to about 355,700 tonnes from 354,800 tonnes in April, according to figures from British Steel and the British Independent Steel Producers Association. British Steel believes steel production has plateaued about 15 per cent down on the peak of between 380,000 and 400,000 tonnes reached in the early months of 1989.

Spending slowdown

SPENDING in shops is likely to slow sharply in the 1990s, according to forecasts published today by the Manchester Business School and Cambridge Econometrics, writes Maggie Urry. Whereas total retail spending rose by 43 per cent during the 1980s, the rise will be only 24 per cent in the 1990s, the report says.

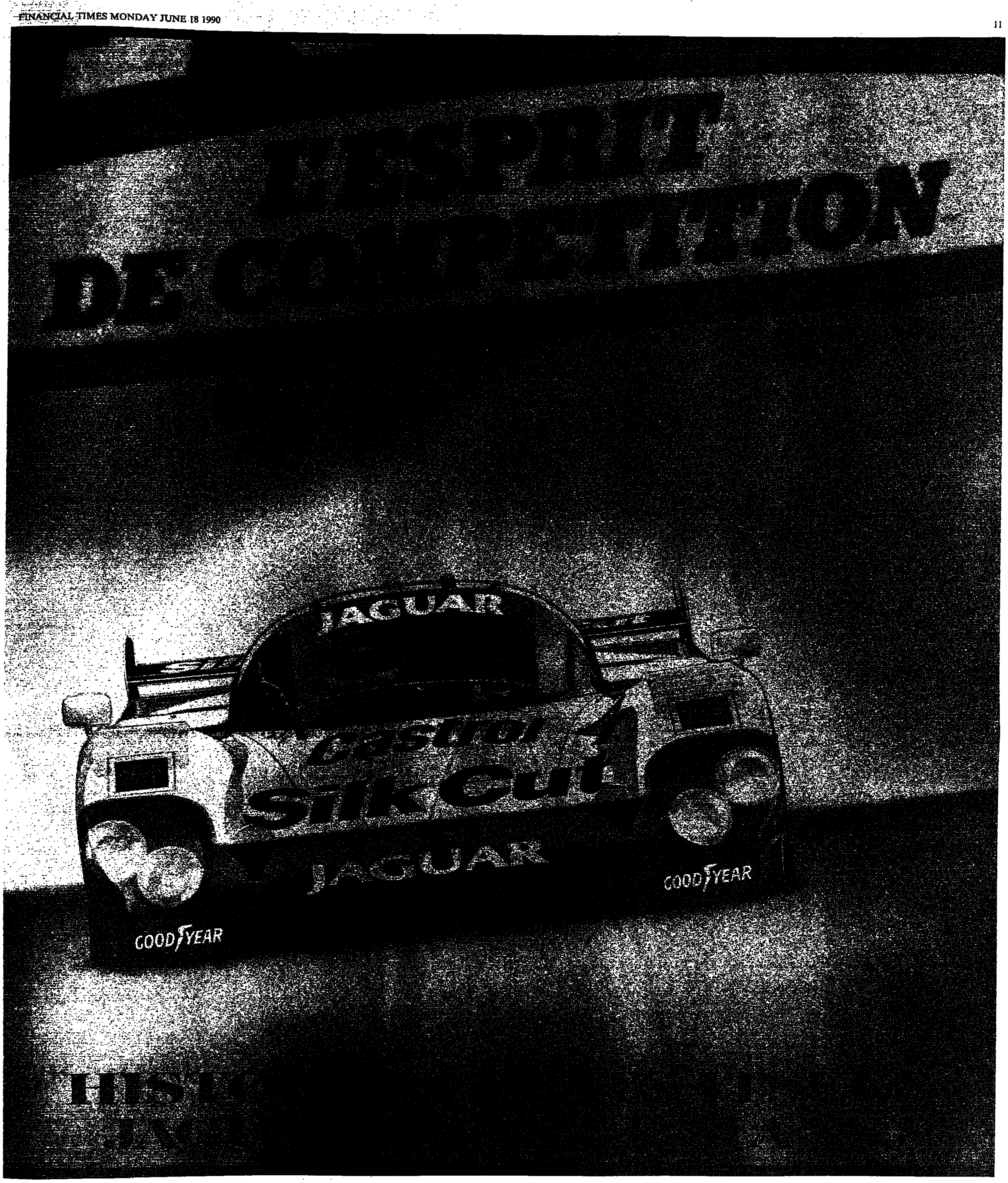
The UK Retail Sector. Cambridge Econometrics, 21 St Andrew's Street, Cambridge CB2 3AX. £395.

Shopping challenge

JOHN LEWIS PARTNERSHIP, the store group, and Slough Estates, the property developer, are to challenge Welwyn Hatfield District Council in the High Court, writes Maggie Urry. They contest the council's decision to allow a shopping centre developer to change its mix of tenants.

The centre is being built above the A1 road in Hertfordshire, near Welwyn Garden City. The developer is Carroll Group, a large, privately owned property company. Originally the centre, due to open next year, was given planning permission on the basis of a "tenant mix agreement" concentrating on "leisure-oriented shopping."

However, the developer has brought in some fashion and general retailers as tenants. The council gave Carroll permission to change the tenant mix agreement in February.



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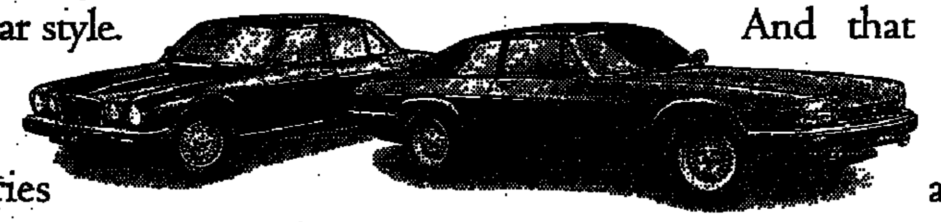
*RESULT SUBJECT TO OFFICIAL CONFIRMATION.



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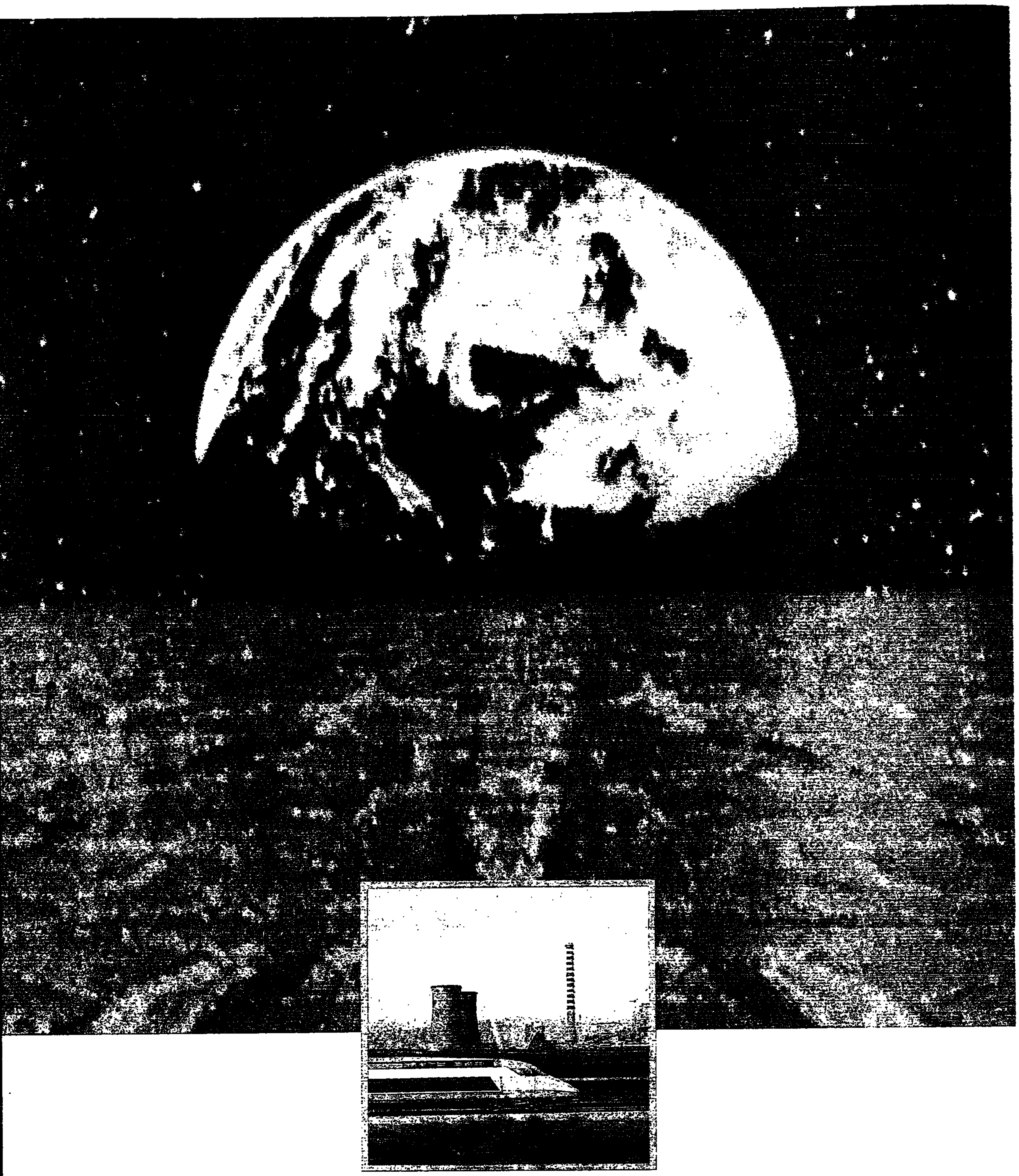

NO ONE KNOWS HOW LONG THE WORLD'S BEEN GOING ROUND, BUT EVERYONE KNOWS WHO HELPS IT MOVE FORWARD

GEC ALSTHOM

UK NEWS

British Coal loss for last year may reach £500m

By Maurice Samuelson

BRITISH COAL, due to be privatised if the Conservatives win the next general election, is expected next month to disclose a loss of about £500m for the 1989-90 financial year.

That would be double the loss of the previous financial year.

However, a reconstruction of the industry's finances is expected to return the corporation to a modest profit in its current financial year.

The promise of a financial reconstruction was extracted from the Government earlier this year by Sir Robert Haslam, the British Coal chairman. It will rid British Coal of more than £6bn of accumulated debts and liabilities.

Sir Robert, who was created a Life Peer in the Queen's Birthday Honours, has a contract that is due to expire at the end of the year, and the Department of Energy is believed to be looking for a successor who would prepare the coal industry for privatisation.

One possible successor is Mr David Kendall, a former British Petroleum executive appointed as British Coal's joint deputy chairman by Mr Cecil Parkinson, the former Energy Secretary. Mr Kendall's contract ends on the same day as Sir Robert's. However, he has said little in public and it is not known whether he would like to stay on.

There are also ambitious insiders on the corporation's board, led by Mr John Northard, the other deputy chairman; Mr Malcolm Edwards, commercial director; and Mr Ken Moses, technical director, one of whom could become chief executive were the Government to replace Sir Robert with a part-time chairman.

Since Sir Robert took over four years ago from Sir Ian MacGregor, productivity has more than doubled after the closure of more than 100 pits and modernisation and reorganisation of the remainder.

Last year's losses reflect not only increased interest charges but also disappointing output levels caused by poor morale among miners and sectors of the management.

The miners' morale has not been helped by the growing environmentalist bias against coal or by threats from privatised power station operators to use more imported coal and natural gas as soon as the present three-year contracts come to an end.

It has also been influenced by the continuing loss of mining jobs, highlighted by last week's forecast by Sir Robert of another 7,500 redundancies in the next 15 months. That would reduce the workforce to about 50,000, nearly a quarter of the size when Sir Robert became chairman.

MoD acts to stimulate power supply competition

By Maurice Samuelson

THE MINISTRY of Defence has switched suppliers of electricity for many of its premises in a government effort to test and stimulate electricity competition.

Southern Electric has acquired the supply rights to seven RAF establishments, including four in East Anglia previously served by Eastern Electric, two in the area of the Midlands Electricity Board and one in the Manweb (Merseyside and North Wales) area.

However, Southern Electric has also lost four other RAF bases to East Midlands Electric.

Competition is mounting among the 12 electricity distribution companies in England and Wales which next month will announce their last full year's financial results before being floated on the Stock Exchange. They will present a show of solidarity in the face of mounting competition for large portions of their business from the big two generators, National Power and PowerGen.

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GRANVILLE
SPONSORED SECURITIES

Capitalisation £000's	Company	Price	Change on week	Gross div (p)	Yield %	P/E
9074	Ass. Brit. Ind. Ord	280	-5	10.3	3.7	7.5
625	Armitage and Rhodes	25	0			
118031	Bardon Group (SE)	150	+1	4.3	2.9	14.6
16700	Bardon Group Cv. Pref. (SE)	97	+1	6.7	6.9	-
4294	Bray Technologies	71	-2	5.9	8.3	6.3
	Bremhill Conv Pref	82	0	11.0	13.4	-
1197	CCL Group Ordinary	315	+3	14.7	4.7	3.9
2038	CCL Group 11% Conv Pref	163	0	14.7	9.0	-
16740	Carbo Plc (SE)	210	0	7.6	3.6	12.4
770	Carbo 7.5% Pref (SE)	110	0	10.3	9.4	-
-	Magnet Gp Non Voting A Cnv*	0.125	0	-	-	-
-	Magnet Gp Non Voting B Cnv*	0.125	0	-	-	-
5337	Isis Group	67	-11	8.0	11.9	3.8
23189	Jackson Group (SE)	108xd	0	3.6	3.3	12.6
26902	Multihouse N V (AmstSE)	345	0	-	-	-
1346	Robert Jenkins	132	-3	10.0	7.6	4.8
15600	Scrutons	325	0	18.7	4.0	8.6
-	Unistrut Europe Conv Pref	160xd	0	9.3	5.8	-
4059	Veterinary Drug Co. PLC	246	0	22.0	8.9	9.4
8535	W. S. Yeates	381	+3	16.2	4.3	31.8

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King Kong's shadow looms over Rainham

David Churchill looks at the battle to stop a £2bn theme park on a Thames-side wildlife site

TECHNICAL hitches may have meant that King Kong failed to frighten many of the Hollywood stars at the grand opening this month of the Universal film studios and theme park in Orlando, Florida. But the prospect of the 30ft-tall replica gorilla's next appearance being on a derelict wildlife site east of London is causing considerable concern among British wildlife enthusiasts and conservationists.

Universal's proposed building of studios and a theme park on 1,600 acres of marshland at Rainham in the London Borough of Havering at a cost of at least £2bn has united conservationists as never before.

The threat to birds, plants, insects and other wildlife that have found a home on the marshes is such that various pressure groups have sunk their traditional rivalries to combine against the threat posed by the development.

Even a £16m package to protect the environment offered by MCA, the US entertainments group which is spearheading the project, has failed to impress conservationist critics of the scheme.

Yet the wildlife of the marshland on the Thames, officially designated a site of special scientific interest, may yet be saved from the invasion of up to 5m tourists a year anxious to catch a glimpse of EastEnders stars or experience the Earthquake ride.

The decision on whether to site the studios and theme park at Rainham is expected to be taken within the next few weeks. MCA, imbued with the success of opening the Florida studios to complement its existing Universal Studios in Los Angeles, is believed to be anxious to get on with the European project as quickly as possible.

It has already lost out to the Walt Disney Company in Florida, which opened a film studios and theme park last year, giving it a crucial marketing edge on the Universal studios in Florida. Disney, moreover, has also announced plans for a similar venture at Euro Disneyland to be built three years after the theme park opens in 1992.

MCA can still get in ahead of arch-rival Disney if work starts soon on the Rainham project, due for completion in 1994. It can certainly beat the proposed Disney/MGM Studios if it decides to build the studios outside Paris rather than outside London.

That is because the Paris site is technically much easier to develop since there are no important conservation objections nor any suggestion of radioactive material on site, as has been claimed at Rainham. Friends of the Earth believes that some waste radioactive material may have got on to the Rainham marshes, possibly when in-fill material was used to shore up sea defences in the late 1960s.

Even if the amount of radioactive material is insignificant, as claimed by the building consortium, British Urban Development, which would actually build the studios for MCA, it will still take longer to develop the site than originally planned.

If the Paris site is chosen, then MCA would expect to open the studios and theme park in 1993 – a year ahead of the Rainham target date and two years ahead of Disney.

Disney's Mickey Mouse: the grin widens at the thought of difficulties facing rival Universal studios at Rainham

It is not just the lure of beating Disney that makes Paris so attractive to MCA. The French Government has been keen to add the Universal Studios attraction to the Euro Disneyland complex and so create the leading leisure development area in Western Europe for at least the next generation.

Its approach has been typically pragmatic, cutting through the red tape that has dogged the Rainham development so far. "Certainly the French planning process is simpler," admits Mr Anthony Young, president of MCA Enterprises International.

The French have sought to attract MCA with a hard offer of £250m in incentives and benefits to site the studios outside Paris. From MCA's headquarters on the west coast of America, such a firm commitment looks attractive, especially since it would neatly resolve the vocal lobbying by British conservationists.

MCA is not alone in its decision-making process. "The commercial viability of the project is finely balanced between the two sites and it will ultimately depend on which government offers the best incentives," says Mr Terence North, director of leisure developments for the Rank Organisation.

Rank, currently in the middle of a £537m takeover battle for Mecca Leisure, linked up with MCA last year when it took a half stake in the $600m Florida studios. Although Rank has made no formal commitment so far to the European studios, it is almost certain to take a significant stake in the project. Not only does it have the funds available from a rights issue earlier this year, but it also has considerable technical expertise in the film and leisure industries which it believes can add to the project's success.

Rank clearly would prefer the studios to be built in Britain, not only because it believes its expertise would be most useful at Rainham but also because it suspects that admissions would be higher.

The theory is that most visitors to Euro Disneyland would be day trippers from the catchment areas in France, West Germany, the Netherlands and the UK. If so, then it will prove harder to attract those tourists to stay an extra day or so to catch the Universal Studios experience.

In the UK, however, the studios and theme park would be a big draw to visitors from the UK and overseas. The English Tourist Board believes it would become Britain's biggest individual tourist attraction, ahead of traditional favourites such as Madame Tussaud's or the Tower of London.

The British Government has not had the flexibility so far to come up with the sort of firm offer the French have been able to make. Yet supporters of building the studios in Britain – and that includes the UK film industry – have a formidable ally in Mrs Thatcher, who has championed the project over the past year.

Her difficulty is an unwillingness to be seen to subsidise the studios out of public funds, especially given the lack of Government aid for a high-speed rail link to the Channel tunnel.

In a bid to co-ordinate the special benefits that are available under existing Government legislation, a special Whitehall committee under the chairmanship of Mr Douglas Hogg, Industry Minister at the Department of Trade and Industry, has been set up. It involves all interested departments in finding ways of speeding up the internal bureaucracy.

Whether that will be enough to match the French offer remains to be seen. If the studios and theme park do go to Paris then it will be the second time in recent years that Mrs Thatcher's support for a big leisure development has failed.

Three years ago she officially launched work on the Battersea theme park, due to be built in west London on the site of a derelict power station. That park was due to open last month but now lies vacant while the bankers and lawyers bicker over what went wrong.

Over at Disney, it is no wonder that Mickey Mouse is wearing such a wide grin.

Soviet bank quits Juno project

By Stephen Fidler

THE MAIN sponsor of a plan to put a British astronaut into space from the Soviet Union has formally withdrawn its financial support for the project.

Moscow Narodny Bank, the Soviet-owned bank with headquarters in London, will confirm in its annual report, to be published formally soon, that it has withdrawn its financial support for the project. It said it had made full provision for the cost of the withdrawal.

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Data companies warned of predators

By Alan Cane

THE UK's four largest computing services companies are likely to fall into foreign hands within three years as a result of ill considered mergers and acquisitions, according to an industry analyst.

Mr Richard Holway makes that prediction in the latest issue of the annual Holway Report, a comprehensive analysis of the financial strengths and weaknesses of more than 400 British computer software and services companies.

He argues that a frenetic bout of merger activity in 1988, when about 40 deals were done, involving total payments of more than £700m, left the industry with declining profit growth, depressed share prices and low price/earnings ratios.

He argues: "Many companies in the industry are now vulnerable to takeover and the buyers are more than likely to be from overseas. We believe that the top four UK computing services companies – Sema Group, SD-Scicon, Hoskyns and Logica – will be in overseas ownership within the next three years."

Sema Group, listed on the London Stock Exchange, is an Anglo-French company formed two years ago from the merger of the UK Cap Group and the French Sema Metra. Just over 20 per cent of its shares are held by the French computing services group Cap-Gemini-Sogeti.

British Aerospace holds 25 per cent of SD-Scicon and is thought to be anxious to sell its stake.

Hoskyns Group was put up for sale earlier in the year by GEC after the acquisition of Plessey by GEC in conjunction with Siemens.

Logica, which acquired the US company Data Architects in 1988, is often described as the "last large, independent UK software house". It shook the stock market last month with a warning that second-half profits would be significantly lower than expectations. The news took 27 per cent off the share price, reducing the group's market value by £49m to £132m. The Holway report shows that Sema Group, with a turnover of £293m, led the 1989 UK list of top revenue earners, followed by SD-Scicon (£283.3m) Granada Computer Services (£201.2m), and Hoskyns Group (£188.7m).

Only Hoskyns, however, makes an appearance in the top ten rankings by revenue growth, led by Systems Reliability, which grew 459 per cent to £134.5m.

McDonnell Douglas Information Systems led the rankings for profits before tax, with £27m, followed by Granada Computer Services with £20m and Logica with £18.3m.

The Holway Report. Richard Holway Ltd, 18 Great Austins, Farnham, Surrey. £825.

Glass federation launches recycling initiative

By Maggie Urry

BRITISH GLASS, the federation of glass-makers, is today launching a recycling symbol intended to encourage people to recycle glass packaging. The federation is asking food and drink manufacturers to put the symbol on labels of glass packaging.

The symbol consists of three arrows forming a triangle surrounding a pictogram of someone dropping a bottle into a bottle bank.

The same symbol is being promoted across Europe for glass packaging, so that, for example, a wine bottle imported to the UK from France and a British coffee jar will carry the same symbol.

The move is part of an attempt to increase the rate of glass recycling in the UK, which is low compared with other European countries. Mr Bill Cook, director general of British Glass, said the recycling rate in the UK had risen from 13 per cent to around 20 per cent in the past few years.

In many European countries the rate is above 50 per cent. However, the UK has a far higher proportion than other European countries of multi-trip glass containers, such as milk and beer bottles.

There are 4,700 bottle banks in the UK, 1,000 more than a year ago. British Glass had aimed to reach 5,000 by the end of 1991 but now expects to achieve that level by the end of this year.

The European Commission is working on a draft directive covering the effect of drinks packaging on the environment. It may require member countries to reach a 70 per cent rate of recycling, including multi-trip recycling, for glass drinks containers by 1997.

That might lead to difficulties for the UK industry, which makes a high proportion of clear glass. Recycled, coloured glass cannot be used to make clear glass.

Report urges caution in telecoms competition

By Hugo Dixon

THE GOVERNMENT should be wary of introducing more competition into the telecommunications sector when it comes to review the British Telecom/Mercury Communications duopoly later this year, according to a report published today.

The report by the Business Performance Group – a think tank affiliated to the London School of Economics – argues that too much competition now would harm Mercury more than BT, so diminishing chances of long-term competition.

Mr Gordon Owen, the Mercury chairman, is a member of the group's board, but Mr Simon Taylor, the report's author and an economist at Cambridge University, said his study was independent of any business interests.

Mr Taylor says: "In terms of its three main objectives of price, quality and innovation, the Government's duopoly policy in telecommunications has been a considerable success."

He also believes Mercury has pursued an aggressive approach to challenging BT, evidenced by Mercury's investment, market share and public profile.

Enhancing Competition. Business Performance Group, Haughton Street, V/C2 2AE. £20.

APPOINTMENTS

Changes at Winchester Bowring

■ Mr H.C.L. Prior has been appointed chief executive and a joint deputy chairman of WINCHESTER BOWRING. Mr P.E. Williamson becomes a joint deputy chairman; Mr R.G. Stone is made managing director in charge of administration and finance; and Mr N.C. Frankland managing director in charge of broking. Mr J.H.C. Bassett, Mr J.W. Fahie, Mr S.A. North, Mr R.J. Rundle and Mr L.G. Salter have been appointed directors.

■ THE AMERICAN BANKING & SECURITIES ASSOCIATION OF LONDON has appointed as chairman Mr George Ellis, general manager of First Bank National Association, London.

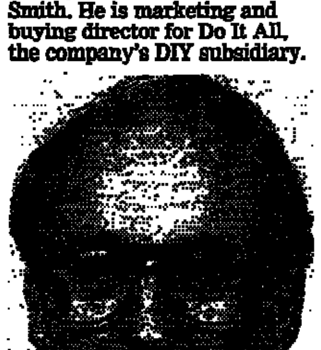
Managing director of BUE Ships

■ NORTH SEA ASSETS has appointed Mr Carl G. Rolaston as managing director of its subsidiary, BUE Ships. He has been its marketing director for the last five years.

■ STEEL BURRILL JONES has appointed to the board of its subsidiary Meacock Samuelson & Devitt Mr John Horwell as chairman; Mr David Forcey as deputy chairman; and Mr Jeremy Davies as managing director. The previous chairman, Mr Anthony Meacock, who co-founded the firm, remains a director.

■ ANDREAS STIHL, Woking, UK subsidiary of the chainsaw manufacturer, has appointed Mr Robin Lennie as financial controller. He joins from a similar post at Serono Diagnostics.

■ Mr Nigel Kenyon Jones has been appointed managing director of OUR PRICE VIDEO, and to the board of Our Price Music, subsidiaries of W.H. Smith. He is marketing and buying director for Do It All, the company's DIY subsidiary.



LOMBARD ODIER has appointed Mr Sandy Bowes *(pictured)* as a director. He was a director at Lazard Investors, and will be responsible for UK marketing, promoting the specialist fund management services to pension funds.

Restructure at Mowlem International

■ Following the restructuring of MOWLEM's international division Mr Doug Ridley has been appointed chairman and Mr Wynn Kenrick managing director of Mowlem International. Mr Colin Graidage becomes commercial and contracts director and Mr Denis Yell services director. Mr Frank Tarrant remains finance director. Mr Chris Evans, marketing, and Mr Brian King, estimating, become associate directors.

■ Mr Edward Griffiths has been appointed a director of ROUX RESTAURANTS. He continues as general manager with overall responsibility for operations and business development of Roux Restaurants, Contract Catering and Central Patisserie.

■ Mr Alan F. Herbert has become president of MEDI-PHYSICS, the former radiopharmaceuticals subsidiary of Hoffmann-La Roche Inc. This appointment follows the acquisition by Amersham International of Medi-Physics. Mr Herbert was formerly vice president and general manager of Bristol-Myers' oncology division.

■ CHARTERHOUSE DEVELOPMENT CAPITAL, the development capital arm of the Charterhouse merchant and investment banking group, has appointed Mr Michael Lennox as financial director. He joins from Central Trailer Rentco (part of Tiphook), where he was group finance director.

■ Mr C.M. Wilson has been re-elected president of the NATIONAL ASSOCIATION OF BRITISH AND IRISH MILLERS. He is chairman of Smiths Flour Mills, part of Northern Foods.

ALEXANDER STENHOUSE UK, London, has appointed Mr Laurence A. Law *(pictured)* as national services director. Mr William D. Greig succeeds him as central division director, at Potters Bar. Mr John Nicholson becomes Scotland divisional director, Glasgow, succeeding Mr Greig. Mr Chris Weaver has been appointed central division development director.

■ VIROC UK, Newbury, has appointed Mr Paul Dennis to the new post of technical sales director for UK southern region. He joins from Rockwool.

■ Mr Mike Rigby has been appointed managing director of the N. & P. GROUP, Letchworth, part of Thurgar Bardex. He was deputy managing director.

■ Mr Christopher Callaway, formerly a corporate finance director of ANZ Bank, has been appointed a partner in the lead advisory team of COOPERS & LYBRAND DELOITTE.

British Steel board change

■ Dr David Grieves, an executive director of BRITISH STEEL and chairman of British Steel Distribution, additionally becomes chairman of the General Steels Division from August 1. He succeeds Mr Gordon H. Sambrook who retires on July 27.

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German reunion

An emotional conundrum

Villeroy & Boch, the West German porcelain and ceramics manufacturer, is looking at whether or not to reclaim its plants in the East. **Stephen Fidler** reports

It is with more than the cold calculations of commerce that Villeroy & Boch, the renowned West German manufacturer of ceramics and porcelain, is eyeing potential acquisitions in the east.

The company's origins date back to 1748, 11 years before Josiah Wedgwood founded the UK establishment which bears his name. Villeroy and Boch merged in 1836. V&B was, until its offering of non-voting shares last month, owned by three families – the Villeroys, Bochs and Schorlemers – and is still controlled by them. The family names remain prominent on the company's executive and supervisory boards.

On its second centenary, V&B was split with the partition of Germany. In 1948, the company employed 3,000 people at three locations. Two of the factories – a plant in Dresden, manufacturing sanitary ware and one in Torgau making table ware and some sanitary ware – were in the east.

Forty-two years later, the pending economic and monetary reunification of Germany has led V&B to serious consideration of a reunion of its own. "We have been negotiating since the beginning of the year to see if there is any way of having them back in our group," says Wendelin von Boch-Galhau, one of six executive board members and head of the German domestic tableware division. "It is," he admits, "an emotional thing for us."

Luitwin Gisbert von Boch-Galhau

According to V&B, many West German companies have been talking about acquiring subsidiaries in the east, but many fewer are going ahead. "In West Germany, everybody is interested in selling to the eastern market, but not in producing in East Germany," he says.

Adds Luitwin Gisbert von Boch-Galhau, the executive board chairman: "Our perspective is different. Our current capacity should fulfil the EC markets, and we don't know where we'll get the extra capacity for the eastern market."

New plants in Luxembourg and in the Saarland should cover the company's expansion plans in the European Community. But "in all of the scenarios we worked out, the East European markets were not included," he says.

The East German market is attractive to V&B both in itself and as a door to other countries formerly in the Soviet orbit. "The East German government prevented exports of sanitary ware because of a desperate need at home. The market has been under-supplied for many years. Sanitary ware installations in private homes and public places are simply very primitive and very backward," says Alfred Pangels, the executive director responsible for that business.

But the contrast between the two sides of the border could hardly be more severe. V&B's enthusiastic family ownership does not seem to have thwarted its development. It has become a dynamic company that is now a high-technology manufacturer and retailer of tiles, tableware and sanitary ware to a middle and up-market audience mainly, but not exclusively, in the EC.

The Dresden factory's reputation used to be second to none. "In the old days, when we still owned the factory, it had the highest standards, producing the most fantastic sanitary ware. Even nowadays, we stand in awe of its quality," says Pangels.

In East Germany, that factory still has a good reputation, but since 1948, according to V&B, quality has regressed. "Compared with western standards, it's not really up to scratch. Only a very small proportion of the goods they are selling could be sold to western markets," he says.

The Torgau plant tells a similar story. "Comparing the products is like comparing a Deux Chevaux to a Rolls-Royce. I think their product line is not saleable in western countries or now even in the East. They're making cheap earthenware that East Germans don't even want to buy themselves. Their machinery hasn't developed in 40 years," says Wendelin von Boch-Galhau.

None the less, if it can find a way, V&B will go ahead with the acquisition of Torgau. Dresden, for which V&B quickly negotiated a letter of intent for an acquisition, is different. "As time went on, after we had got to know things better, we had to tell them that we didn't see any future for this company in Dresden," says Pangels.

Product quality in the West far outstrips that in the East

The plant stands in Dresden city centre and the buildings are in poor shape. V&B believes that to make it viable it would have to tear it down and start again. Nobody, it says, starting from scratch, would build such a plant in the centre of Dresden.

V&B has now switched its attention to a plant making sanitary ware at Haldensleben near Magdeburg, with no historical connection to V&B. This factory, the largest in East Germany, was built about 12 years ago, and employs about 1,100 people – although 400 of them are making gift and decorative items, which V&B has no desire to produce.

Management at this plant, however, is talking to a number of V&B's competitors and it is too early to say who will succeed. V&B will insist that it holds a majority. Pangels says: "They need a western partner in every aspect of their business – technology, marketing, sales. And in each regard we feel that we can't do that as a minority partner. That's crucial for us because for quite some time it will not be very easy to make money in East Germany." These companies have no sales organisations since they sold their products to a single buyer.

V&B faces many obstacles. A suspicious workforce is worried about jobs; job losses will be heavy. East Germany's porcelain and ceramics industry employs 16,000 people, compared with about 17,000 in West Germany and 20,000-25,000 in the UK. Productivity is about one-third that in western Europe.

It will have to design and introduce some new products and ensure that quality control standards are maintained. Some decisions await legislation on questions of social security, health care and child care, which have hitherto all been provided at factory level. The kitchens of the factories, for example, supply meals to retired former employees.

And there is uncertainty about exactly who the company should be negotiating with. The management of the relevant *kombinate* – East Germany's big industrial groupings – started negotiations but subsequently lost their jobs. Talks are now continuing with local management though the ultimate decision about any deal will be taken at ministry level in Berlin.

But it is clear that although emotion played a role in pushing V&B eastwards, it will not be a deciding factor. Because of the difficulties, now much plainer than six months ago, V&B says it is determined not to overpay.

Specialist purveyors of tomorrow's ideas

Alice Rawsthorn takes a look at SRU, a consultancy with an unusual approach which tends to go for the radical solutions

Dennis Stevenson, chairman of the Tate Gallery and numerous other worthy bodies, non-executive director of Pearson and countless other companies, is not a man who is often lost for words. Not, that is, until it comes to talking about his company, SRU, and what it does.

"What do we do? Well, I suppose we are a sort of an off- balance-sheet unfixed overhead. You know, brains for hire, that sort of thing. But I do not know anyone like us or who does what we do."

SRU is one of British industry's best kept secrets. It is one of the very few consultancies with an *entrée* to the bluest of blue chip boardrooms. It works for everyone from Marks and Spencer, to ICI and Unilever. It tells Stanhope whether or not to commission a Richard Serra sculpture for its Broadgate development in the City of London. And it advises BAT on how to stave off the unwanted advances of Sir James Goldsmith.

What SRU does is to dream up ideas for big business. It is run by Stevenson with Peter Wallis and Colin Fisher. They are all very, very different. Stevenson is busy being great and good among the British establishment. Wallis is best known, in his *alter ego* of Peter York, as the sociologist of the green welly-wearing Sloane Ranger set. Fisher is embroiled in the internal politics of the Labour party.

Their clothes give the game away. Stevenson wears well-worn tweeds. Wallis prefers a parody of the Savile Row suit, an English version of the Deep South dandy look favoured by Tom Wolfe, the US novelist, on whom he is failing to finish a critical biography. Fisher sports the adman's uniform of a sharp-shouldered suit.

The roots of SRU lie in the late 1960s when Stevenson and Wallis were employed by a man called Conrad Jameson, who then ran a market research consultancy and who is now, as Peter Wallis puts it, "the sort of interior designer who tells very wealthy people what to put in their fridges".

Both were then in their early 20s. Stevenson had just come down from Cambridge "in a great gloom" after astonishing himself by missing a first. Wallis, or so his colleagues say, had been selling antiques on Portobello Road, west London.

Two years later they borrowed £12,000 from the bank and started the Specialist Research Unit, soon shortened to SRU. Their first project was a small marketing assignment for Clarks Shoes. Colin Fisher joined shortly afterwards. He was the odd one out. He was a professional market researcher.

In the early days most of SRU's work was in market research. But from the beginning it cast itself in a different role from conventional research consultancies. "In those days market research was almost all about number crunching," says Fisher. "We were always more interested in ideas."

SRU grew slowly by gradually gaining new clients and moving into new disciplines. It has since advised ICI on its environmental policy; Ladbroke on inventing new forms of betting; and Dunhill on how to tap the Japanese lust for luxury goods.

Its work for Unilever has included devising a new structure for the group's European operations which involved streamlining 18 independent subsidiaries in different countries into one centralised operation in Brussels with national offshoots.

The SRU of today is composed of 45 people – 22 of them consultants – based in a sprawling old Georgian house squeezed between the second-hand computer shops and *nouveau* design consultancies on the fringes of the City of London.

The way SRU works is very idiosyncratic.

"I have really never come across any parallels," says Mike Dowdall, a director of Unilever. "We have used McKinsey for years and it is brilliant at what it does. But if McKinsey has a limitation it is that it tends to recommend the same thing as a democratic sample of the board. SRU always goes for the radical solution."

"Most research consultancies tell you what is happening today," says John Hegarty who, as creative director of Bartle Bogle Hegarty, the advertising agency, has worked with SRU for Levi Strauss jeans and *the Independent* newspaper. "SRU talks about what is going to happen tomorrow."

"They tend to be specialists in a technical sense in that they home in on emotional and personal issues," says Stuart Lipton, chief executive of Stanhope, which has liaised with SRU on its developments at Broadgate and Kings Cross. "I do not know of another company like them."

SRU is also idiosyncratic in its methodology. There is the group of millionaires who act as a research panel for its work in luxury goods. There is the notepad in reception on which employees record their comments – "ghastly", "very good" and "my stewed gibbon was not free range" – on a new product. There are the dinner parties it held when conducting research for the relaunch of Punch magazine.

"That is the difference between SRU and a conventional research consultancy," says David Thomas, Punch's editor. "SRU costs three times as much and it holds dinner parties."

SRU prides itself on eschewing the paraphernalia attached to most consultancies. In the age of the autocue there are no glossy brochures, no flipcharts, no slide shows, and no statistics.

Some people find it all too much. One client recalled watching Peter Wallis present a report to a roomful of accountants. "They expected the usual deferential consultant reeling off nice, neat bullet points that they could repeat to their bosses," he recalls. "Instead, in walked Peter, oozing insouciance. He spoke for two and a half hours without notes. They were terrified of him. One walked out."

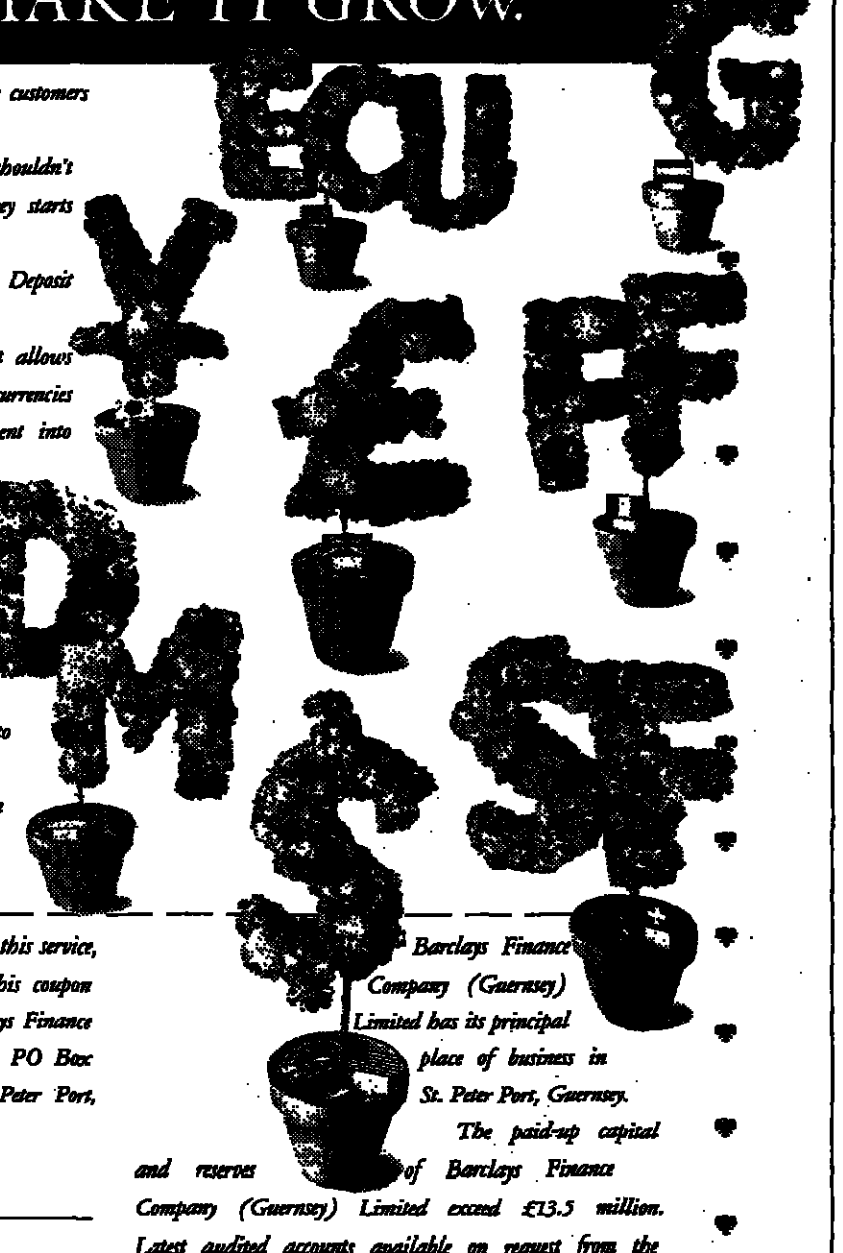
"They are intelligent, intuitive people and they do not suffer fools gladly," says Wally Olins, chairman of Wolff Olins, the design consultancy which worked with SRU for ICI. "Not every client can handle that."

SRU is now at something of a watershed in its fortunes. It is a substantial business which generated around £5m in fees last year. It has a core of blue chip clients with which it has worked for years and which provide the bulk of its income. It also holds minority stakes in a string of other consultancies, including an econometrics unit and an industrial research company.

But if it becomes any bigger SRU could run the risk of becoming too big and too institutionalised. The way it works could change. The founders might find it more difficult to be so closely involved with projects.

In short, SRU could become less like itself and more like other consultancies.

"So far we have been able to enjoy ourselves," says Dennis Stevenson. "After 20 years in business we have not gone public and we only employ 45 people. We are really a failure."



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LEGAL COLUMN

Lawyers' league table confirms late 1980s as years of strength

By Robert Rice, Legal Correspondent

IT HAD to happen sooner or later – a league table of the top 20 law firms based on gross fee income.

A report on the solicitors' profession in England and Wales calculates the gross fee income of the profession for 1989 at £3.9bn. The 170-page report by Databank, a business strategy consultancy, was compiled on the basis of face-to-face interviews with solicitors, questionnaires and published sources of information.

According to Databank, the top 20 firms alone accounted for 33 per cent of all gross fees, with the rest of the business being shared by the remaining 9,795 firms.

The report confirms what has long been believed – that the late 1980s were a boom time for law firms. Last year was particularly golden, with gross fee income growing by 25 per cent over 1988 figures.

While boom has not exactly turned to bust, law firms are unlikely to experience such rates of growth again for a considerable time.

Databank attributes the phenomenal 1989 growth rate largely to the post-Big Bang growth in financial services, particularly in the area of corporate finance. The property market was also extremely buoyant during the late 80s.

It warns, however, that pressure on profits will become increasingly intense. Some reasons are the lowering of entry barriers to the profession through EC legislation and changes to the structure of the English profession, a concomitant increase in the bargaining power of clients, and a decline in the short to medium term in fee-earning business generated from the City (except perhaps in the insolvency field).

As might be expected, the report shows that London dominates the solicitors' business. Twenty-eight per cent of all law offices in England and Wales are based in London, generating 48 per cent of total gross fee income.

Firms with only one office predominate. Other than Clifford Chance, none of the top 30 firms has more than seven offices in total, including overseas offices.

The outlook for solicitors depends on the extent to which the reforms in the Courts and Legal Services Bill are implemented, the report says. The lifting of restrictions on multinational practices will result in increasing numbers of formal links among law firms within Europe and between Europe and the US.

TOP 20 SOLICITORS' FIRMS IN ENGLAND AND WALES BY MARKET SHARE BASED ON GROSS FEE INCOME IN 1989

	Firm	Fee-earners	Partners	Market share %	Gross fees £m
1	Clifford Chance	996	195	4.2	163.8
2	Linklaters & Paines	623	113	2.9	113.1
3	Lovell White Durrant	555	119	2.5	97.5
4	Slaughter and May	515	85	2.2	85.8
5	Freshfields	480	88	2.1	81.9
6	Allen & Overy	461	90	1.9	74.1
7=	Herbert Smith	400	85	1.8	70.2
	Simmons & Simmons	403	105	1.8	70.2
9=	Denton Hall	387	105	1.7	66.3
	Norton Rose	390	89	1.7	66.3
11	McKenna & Co	324	65	1.4	54.6
12	Nabarro Nathanson	353	95	1.3	50.7
13	Richards Butler	287	75	1.2	46.8
14=	Cameron Markby Hewitt	242	67	1.1	42.9
	Evershed Wells & Hind	249	52	1.1	42.9
16	Wilde Sapte	216	45	1.0	39.0
17=	Stephenson Harwood	212	65	0.9	35.1
	Clyde & Co	200	71	0.9	35.1
	Turner Kenneth Brown	205	64	0.9	35.1
20	Alsop Wilkinson	187	66	0.8	31.2
TOTAL FOR TOP 20				33.4	1,302.6
Others, 9,795 firms				66.6	2,597.4
TOTAL ALL FIRMS				100	3,900

Notes: Fee earners = partners, assistant solicitors, trainee solicitors and para legals.

Figures taken from The Lawyer Top 100 Source: Databank Ltd.

The issue of multidisciplinary partnerships between accountants and solicitors is complicated by the significant handicaps of differing practice rules and potential conflicts of interest.

A big stumblingblock would be the income differentials apparent between the fee-earning capacity of partners in the large City law firms compared with those in the large accountancy firms, it says.

The league table itself contains few surprises. Clifford Chance as the largest law firm has the largest gross fee income. Linklaters, as the second-largest, has the second-highest, and so on.

That holds true, more or less, throughout the top 20, although there are firms that figure in the top 20 law firms by size but do not figure in this list. The figures have been derived from the percentage of market share attributed to each firm by Databank. As such they are accurate only to the nearest £100,000.

It is unlikely, for example, that Stephenson Harwood, Clyde & Co and Turner Kenneth Brown all have exactly the same gross fee income, but their respective gross fees are sufficiently close not to differentiate between them.

In general the figures are higher than might have been expected by using the rule of thumb that solicitors need to bring in roughly three times earnings.

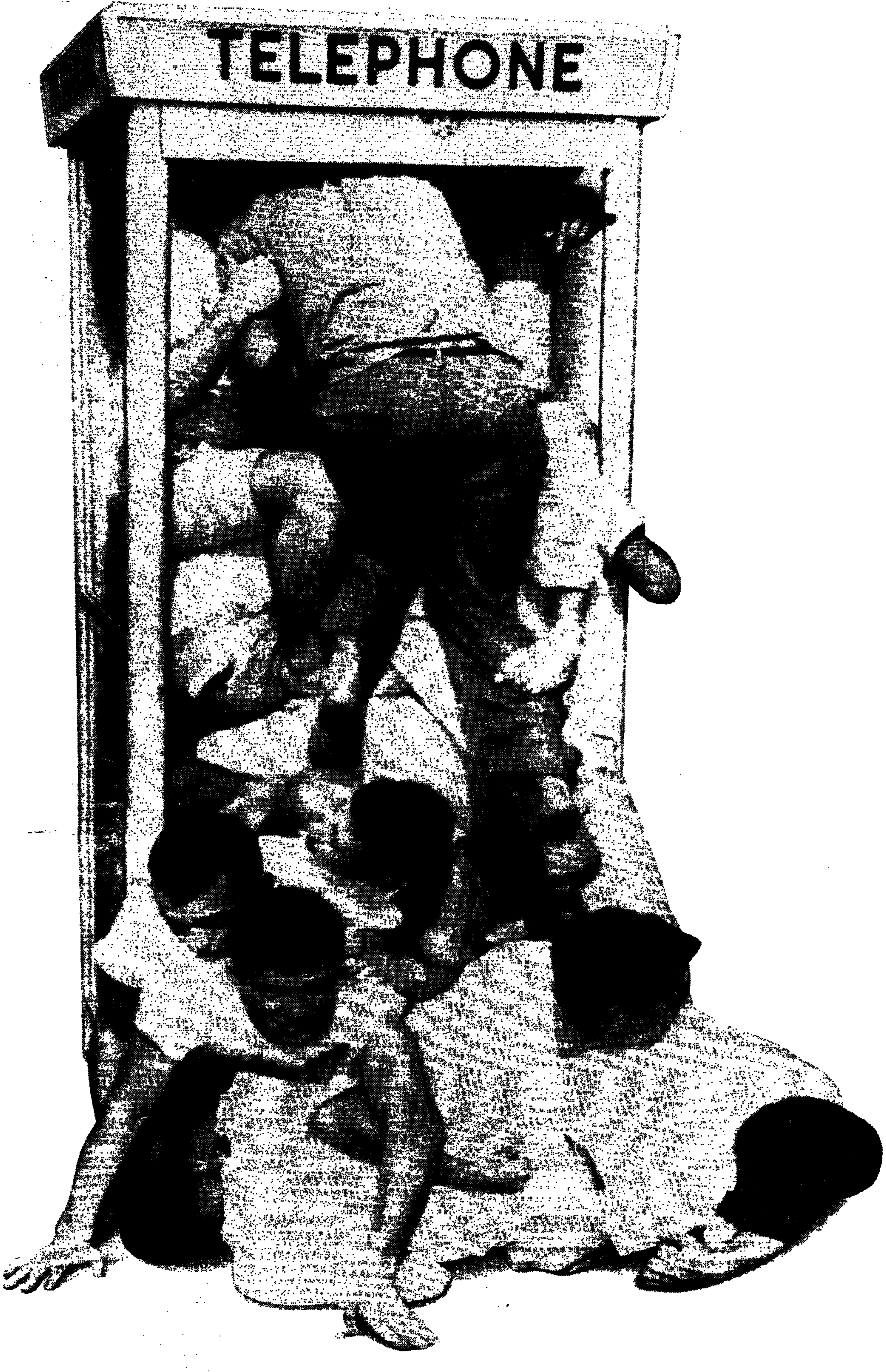
Taking average partners' earnings to be £130,000, average assistant solicitors' salaries to be £40,000 and average trainee solicitors' salaries to be £16,000, Clifford Chance would have a gross fee income of around £140m. Linklaters £93.9m, Lovell White Durrant £83.7m, Slaughter and May £76.5m, and Freshfields £74.7m.

When the American Lawyer profiled Clifford Chance at the end of last year the magazine estimated the firm's gross fee income at £150m. That appeared to have been calculated on the basis that all fee earners billed 1,425 hours during 1989 at charging rates of £225 an hour for partners, £90 for assistants and £50 for trainees.

Using the same method, the gross fee income of Linklaters would be £92m, Lovell White Durrant £82m, Slaughter and May £76m and Freshfields £73.5m.

One year's gross fee income figures on their own tell us little about the firms concerned other than that they are not starving. Next year, however, the figures will at last give us an objective benchmark for assessing how well individual firms are performing.

UK Solicitors. Available from Databank Ltd, 26/40 Kensington High Street, London W8 4PF. £1,750.



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Overseas work for Taywood

The **TAYLOR WOODROW GROUP** has been awarded two North American contracts together worth some £18m.

The first is for a water pollution control plant in Pickering, Toronto, valued at more than C$15m. The second, for California State University, is for a a five-storey faculty building worth nearly US$15m. Both contracts have been awarded to Taylor Woodrow Construction.

The Canadian project, awarded by the Ministry of the Environment, involves the construction of two return and waste sludge pumping stations, eight secondary clarifier tanks, a chlorine contact chamber and effluent channel, together with supplying and installing various process, electrical and mechanical equipment.

The plant at Duffin Creek, Pickering, is scheduled for completion in the autumn next year.

In California, Taylor Woodrow has been awarded a second project by the trustees of California State University, following a contract to build a business school at Long Beach.

The project comprises the construction of a classroom, student services and faculty office building at San Bernardino.

The 133,000 sq ft building will be made of structural steel and metal decking, with precast concrete and glass exteriors.

Rail station

Graham Wood's **BLIGHT & WHITE** *subsidiary has won a* contract for part of the Docklands Light Railway station for Olympia & York. The contract *is for the Canary Wharf station* roof structure, which will consist of a central high-level roof arching 25 metres above the *platforms made of curved* trapezoidal trusses with 50 metre spans.

CONSTRUCTION CONTRACTS

London hospital scheme

JL PROJECT MANAGEMENT - part of the John Laing Group - has won a major contract for the £200m Bloomsbury hospital *project in London.*

The construction cost for the new hospital will be £140m and JL Project Management, appointed by the North East Thames Regional Health Authority, will provide the project management services during the 10-year period when detailed planning and construction work is carried out and the new and adapted buildings brought into use.

The development will provide a teaching hospital on the *University College Hospital* site.

The scheme will comprise mainly new-build but about a *third of the area will involve* refurbishment of listed buildings including that designed by Alfred Waterhouse.

The Bloomsbury Hospital will contain 700 beds for in-patients and a further 75 beds for investigations and treatment on a day basis, together with out-patient and diagnostic facilities.

The new-build complex will be eight storeys above ground level, with basement below in parts and a sub-basement for car parking.

Medical school facilities for the Faculty of Clinical Sciences will be contained within the new main hospital and the refurbished Waterhouse building.

£12.5m orthopaedic centre for Bristol

CEMENTATION CONSTRUCTION, part of the Trafalgar House Group, has been awarded a £12.5m contract by the South West Regional Health Authority for the construction of the new Avon orthopaedic centre at Bristol's Southmead hospital.

The centre will include accommodation for the orthopaedic rehabilitation and disablement services authorities and will provide 140 beds in five wards, four theatres, a day care facility for out-patients, a hydrotherapy pool and workshops.

The 12,000 sq ft centre will be connected to urology department by link corridors. Work is due to commence in mid June and is programmed for handover in November 1992.

New Northumberland shopping centre

Hunting Gate Developments and Aureole Investments, developers of Keel Row, a £9m shopping centre in Blyth, Northumberland, have awarded **HUNTING GATE CONSTRUCTION** the building contract on the 60,000 sq ft scheme.

This follows a competitive re-tender for the project, after the original contractor, Brims, was taken into receivership.

The overall confidence in Keel Row continues with the letting programme proceeding apace and already some 70 per cent of the retail space taken by multiple retailers. With completion in January 1991, only five standard and three kiosk units remain available to let.

Located between Regent Street, Bridge Street and Union Street, the development - which is Blyth's first covered shopping centre - links the town's prime shopping pitch around Market Place to the main bus station via a glass roofed mall. Twenty shops in total line either side of the mall and the glazed central square, which in turn links into a new 280 space surface car park.

£22.6m projects for Mowlem Northern

MOWLEM NORTHERN *has* been awarded contracts totalling £22.6m.

Orders worth £4.5m have been secured from English Estates North for industrial developments at Longbenton, for the Nelson Industrial *Estate*, Cramlington, and for high-technology units, also at Cramlington.

For Teesside Development *Corporation* Mowlem is undertaking a £3.8m land reclamation project which includes removal of the foundations of a derelict 13 hectare industrial site at Teesdale and replacement with crushed slag in preparation for a housing development.

At Goole, Humberside, the company is building civic offices for Boothferry Civic Council. The three-storey building costing £2.4m will provide a foyer with artstone panels, and council chamber, mayor's parlour and members' room, all finished with brown cut American oak panelling.

Due for completion in September is a £1.8m office development at Team Valley, Gateshead, for Enterprise Zone Developments.

Nissan car assembly plant extension

Nissan Motor Manufacturing (UK) has awarded a £7.7m design and management con*tract to **SIR ROBERT McALPINE & SONS*** for the Phase 3 extension to the body shop at its car assembly plant in Washington, Tyne and Wear.

Two single-storey extensions on the east and west elevations of the body shop facility will provide an additional floor area of 14,688 sq metres.

Construction, on reinforced pad foundations, will be of structural steel frame, clad with composite steel panels *and roofing to match the existing buildings.*

Work includes the installation of gas fired indirect heating systems, the provision of external loading bays and general landscaping.

McAlpine Design Group will be responsible for the design and Turner & Townsend has *been retained by Nissan Motor* Manufacturing (UK) as quantity surveyors.

DIARY DATES

PARLIAMENTARY

Today

Commons: Debate on defence *estimates.*

Lords: Australian Constitution (Public Record Copy) Bill, committee.

Government Trading Bill, report. National Health Service and Community Care Bill, report.

Enterprise and New Towns (Scotland) Bill, second reading.

Select committees: Agriculture: subject, BSE. Witnesses: Dr D. Tyrell, Dr R. Kimberlin and Dr R. Will. (Room 8, 4.15 p.m.)

Public Accounts: subject, Foreign and Commonwealth Office manpower. Witness: Sir Patrick Wright. (Room 16, 4.30 p.m.)

Committee on a private bill: King's Cross Railways Bill. (Grand Committee Room, Westminster Hall, 2.00 p.m.)

Energy: subject, safety in coal mines. Witnesses: NUM, Nacods and UDM. (Room 8, 11 a.m.)

Treasury and Civil Service: subject, progress in Next Steps *Initiative. Witnesses:* Mr Mike Fogden, chief executive, Employment Service, and Council of Civil Service *Unions. (Room 17, 11.30 a.m.)*

Agriculture: subject, BSE. Witnesses: Sir Donald Acheson, chief medical officer, UKL Renderers Association, UK Agricultural Supply Trade Association. (Grand Committee Room, Westminster Hall, 4.15 p.m.)

Foreign Affairs: subject, UK policy towards South Africa. *Witnesses: Oxfam, CIIR, Cafod,* Save the Children Fund, Action Aid. (Room 18, 4.15 p.m.)

Home Affairs: subject, practical police co-operation in the EC. Witnesses: Association of Chief Police Officers, Police Superintendents Association and the Police Federation. (Room 15, 4.15 p.m.)

Public Accounts: subject, Intervention Board for Agricultural Produce Management. Witness: Mr G. Stapleton, chief executive. (Room 16, 4.15 p.m.)

Tomorrow

Commons: Debate on defence estimates.

Remaining stages of Greenwich Hospital Bill.

Resolution on the Caldey Island Bill.

Lords: Environmental Protection Bill, committee.

Consumer Guarantees Bill, committee.

Committees on Private Bills: Hythe, Kent, Marina Bill. *(Room 5, 10.30 a.m.)* Midland Metro Bill. (Room 6, 10.30 a.m.)

Treasury and Civil Service: subject, international monetary arrangements and eastern Europe. Witnesses: Professor Richard Portes, Professor T. Rybezynski and Mr Istvan Szekely. (Room 8, 4.15 p.m.)

Committees on Private Bills: Midland Metro Bill, (Room 6, 10.30 a.m.) Hythe, Kent, Marina Bill (Room 5, 10.30 a.m.)

Wednesday

Commons: Human Fertilisation and Embryology Bill, progress on remaining stages.

Lords amendment to the Aviation and Maritime Security Bill.

Resolutions relating to Finance Bill.

Lords: Debate on Government policies on industrial relations.

Horses (Protected Headgear for Young Riders) Bill, committee.

Rights of Way Bill, committee.

Entertainments (Increased Penalties) Bill, second reading.

Question to Government on safeguards for Channel Tunnel workers.

Select committees: Environment: subject, environmental and climatological effects of destruction of tropical rain forests. Witnesses: DoE officials. (Room 21, 10.30 a.m.)

Foreign Affairs: subject, UK policy towards South Africa. *Witnesses:* UK South Africa Trade Association and Southern African Association. (Room 15, 10.30 a.m.)

Agriculture: subject, BSE. Witnesses: NFU, NFU for Scotland, Meat & Livestock Commission, Association of British *Meat Processors and Institution* of Environmental Health Officers. (Grand Committee Room, Westminster Hall, 10.45 a.m.)

Thursday

Commons: Completion of Human Fertilisation and Embryology Bill.

Lords: Environmental Protection Bill, committee.

Motions for approval on *Home Grown Cereal Orders.*

Licensing (Low Alcohol Drinks) Bill, second reading.

Committees on Private Bills: *Hythe, Kent, Marina Bill* (Room 5, 10.30 a.m.) Midland Metro Bill. (Room 6, 10.30 a.m.)

Friday

Commons: Private members' Motions.

Lords: Debate on report of the EC on *relations between the* community and EFTA.

Access to Heath Records Bill, second reading.

Motions for approval on Northern Ireland orders covering planning and building regulations and horse racing.

Motions for approval on the Parliamentary Constituencies (England) Miscellaneous Changes Order and the Police *(Dispensation from Requirement to Investigate* Complaints) Regulations 1990.

FINANCIAL

TODAY
COMPANY MEETINGS-
Clearmark, 80 Fleet Street, E.C., 10.00
Finlay Packaging, Business Centre, *Belfast Intl. Airport*, 12.00
Hammerson Prop. Inv. & Dev., 100 Park Lane, W., 12.00
BOARD MEETINGS-
Finals:
BET
Chancery
Charter Cons.
Hadleigh Inds.
Hewetson
Melville Street Inv.
Reject Shop
Renold
Security Archives
Sketchley
Syltone
Interims:
Hawtin
Invicta Sound
Polar Electronics
DIVIDEND AND INTEREST PAYMENTS-
Alcan Aluminium 28cts.
Bank Leumi (UK) Und. Prim Cap. Fltg. Rate Nts. $44.87
Inch Kenneth Kajang Rubber 5.5p
Italian Intl. Bank Sub. Fltg Rate Nts.
Olives 6p
Suter 5.6p
Tomkinsons 3.5p
Total-Compagnie Francaise Des Petroles B Fr20
TOMORROW
COMPANY MEETINGS-
Eastern Produce, Sir John Lyon House, 5 Timber Street, E.C., 12.00
English National Inv., 3 Finsbury Avenue, E.C., 12.00
London & Overseas Freighters, Watermans Hall, 16 St. Mary-at-Hill, E.C., 11.30
Petrocon, 8 Baker Street, W., 9.00
Runciman (W.), 52 Leadenhall Street, E.C., 12.00
Shires Inv., 1 Puddle Dock, Blackfriars, E.C., 12.00
BOARD MEETINGS-
Finals:
Continuous Stationery
GEI Intl.
Jones & Shipman
ML Hldgs.
Shanks & McEwan
Stoddard Sekers Intl.
Tams (John)
Interims:
Archimedes Inv. Tst.
DIVIDEND AND INTEREST PAYMENTS-
BHS 5½% Mtg. Deb. 89/94 2.75pc.
Do. 7¼% Mtg. Deb. 94/98 3.625pc.
Do. 6½% Mtg. Deb. 89/94 3.75pc.
Finlay Packaging 3.25p
Hammerson Prop. Inv. & Dev. 16p
Do. A 16p
Nationwide Anglia Bldg. Soc. Sub. Fltg. Rate Nts. 2004 £395.41
Panama (Rep. of) Fltg. Rate Nts. 1992 $473.96
Sotheby's A (Reg.) 15cts.
WEDNESDAY JUNE 20
COMPANY MEETINGS-
City of Oxford Inv. Tst., 41 Tower Hill, E.C., 12.00
Forward Group, Hedging Lane, Dosthill, Tamworth, Staffs., 12.00
Holt (Joseph), Melville Hotel, Barton, Stretford, Manchester 12.00
Jove Inv. Tst., 99 Charterhouse Street, E.C., 2.30
Parambe, 125 High Holborn, W.C., 10.30
Shiloh, Holden Fold, Royton, 11.30
BOARD MEETINGS-
Finals:
Avesco
Booth Inds.
Davy Corp.
Erostin
Hambros
Mountview Ests.
Phoenix Timber
Premier Cons. Oilfields
Stirling
Unigate
Interims:
Bangkok Invs.
Electra Inv. Tst.
Marina Developments.
Quiligotti
Sheriff Hldgs.
DIVIDEND AND INTEREST PAYMENTS-
Bayer AG DM13
Essex Water 5% Deb. 86/91 2.5pc.
Do. 10½% Deb. 94/96 5.25pc.
Do. 8% Deb. 91/93 4pc.
Do. 10% Deb. 92/94 5pc.
Do. 7¾% Deb. 91/93 3.875pc.
Do. 3½% Perp. Deb. 1.75pc.
Do. 4% Perp. Deb. 2pc.
Do. 5% Perp. Deb. 2.5pc.
Industrial Credit & Inv. Corp. of India Fltg. Rate Nts. 1991 $218.02
Korea Exchange Bank Fltg. Rate Nts. 1995 £196.13
Lowland Inv. 2.5p
M & G American Recovery Fd. 0.8p
Marine Midland Banks Inc. Fltg. Rate Sub. Nts. 2009 $223.61
News Intl. Gtd. Fltg. Rate Nts. 1991 $225.21
Riggs National Fltg. Rate Sub. Nts. 1996 $223.61
Sage 2.35p
Standard Chartered Und. Prim. Cap. Fltg. Rate Nts. £195.34
Taiwan Power Fltg. Rate Nts. 1992 $436.04
THURSDAY JUNE 21
COMPANY MEETINGS-
Farnell Electronics, Queen's Hotel, *Leeds*, 1.30
Lendu, Tubs Hill House, London Road, Sevenoaks, Kent, 11.30
River & Mercantile Geared Cap. & Inc. Tst., New Connaught Rooms, Great Queens Street, W.C., 11.30
TVS Entertainment, The Hotel Russell, Russell Square, W.C., 10.00
Warner Howard, The Great Eastern Hotel, Liverpool Street, E.C., 12.00
BOARD MEETINGS-
Finals:
BTP
Dawson Intl.
F & C German Inv. Tst.
TGI
United Inds.
Interims:
Dundee & London Inv. Tst.
River Plate & Gen. Inv. Tst.
DIVIDEND AND INTEREST PAYMENTS-
African Lakes 2p
Bank fur Arbeit und Wirtschaft AG Sub. Fltg. Rate Nts. 1999 $429.72
Halliburton 25cts
Italy (Rep. of) Fltg. Rate Nts. 2000 $420.24
Leeds Permanent Bldg. Soc. Sen. Var. Rate Nts. 1994 £393.84
Do. Sub. Var. Rate Nts. £398.25
Midland Bank Und. Fltg. Rate Prim. Cap. Nts. (June 1985 Iss.) $436.04
Pfizer 60cts
Shiloh 1.75p
Wellcome 1.5p
FRIDAY JUNE 22
COMPANY MEETINGS-
Ambassador Security, Chartered Accountants Hall, Moorgate Place, E.C., 10.00
Associated British Foods, Connaught Rooms, Great Queen Street, W.C., 11.00
Harding, The Birmingham Chamber of Commerce, 75 Harborne Road, Birmingham, 11.00
Renaissance, Beaufort House, 15 St. Botolph Street, E.C., 12.00
BOARD MEETINGS-
Finals:
Allen
Chloride
Holmes Protection
Latham (James)
Micrelec
Wellman
Wood (S. W.)
Interims:
Anglia TV
Grainger Tst.
JS Pathology
Murray Enterprise
DIVIDEND AND INTEREST PAYMENTS-
American Intl. 12cts
Anglo American Coal 263cts.
Barclays Bank 9% Bds. 1996 4.5pc
Caparo Inds. 2.3p
Federal Bus. Dev. 9% Nts. 22/6/94 4.5pc
GT Berry Japan (Sterling) Fd. Ptg. *Red. Prf. 10.6p*
Grampian TV NV A 2.8p
Jermyn Inv. 3p
LASMO 10⅜% Deb. 2009 5.1875pc.
Lilley 1.5p
London & Prov. Shop Centres 10% 1st Mtg. Deb. 2025 *5pc.*
Narborough Plants. 0.325p
Principal Hotels 1p
Rand Mines Props. 40cts.
River & Mercantile Geared Cap. & Inc. T. 3.1p
SUNDAY JUNE 24
Manchester 3% Red. 1928 (or after) 1.5pc

Trade fairs and exhibitions: UK

Current
Grosvenor House Antiques Fair (0799 26699) (until June 23)
London

June 19-21
PC User Show (071-404 4844)
Olympia

June 21-24
Royal Highland Show (031-333 2444)
Ingliston Showground, Edinburgh

June 23-24
Classic Car Show (044282 3388)
Brighton

June 26-28
Midland Secretary Show (081-868 4466)
NEC, Birmingham

June 28-30
Careers and Higher Education Fair - DIRECTIONS (081-940 5668)
Olympia

July 3-5
Education Training and Personnel Development Exhibition and Conference (071-973 6401)
NEC, Birmingham

July 5-8
Health Show (081-783 0055)
Olympia

July 11-15
Wine Fair & Festival (0272 298630)
Bristol Exhibition Centre

Overseas exhibitions

June 25-29
International Biotechnology Trade Fair – AMSTERDAM BIOTECHNOLOGY (071-495 7977)
Amsterdam

June 26-30
International Industrial Development Technology, Machinery and Equipment Exhibition - *ITM* (071-486 1951)
Kuala Lumpur

July 3-8
International Forestry, Log and *Timber Technology* Exhibition and Conference – INTERFOREST (081-940 4625)
Munich

July 11-13
International Professional Recording, Public Address and *Duplication Exhibition* – PRO AUDIO ASIA (0494 729406)
Hong Kong

July 11-13
*International Jewellery, Gem*stones & Timepieces Exhibition – JEWELTIME (0494 729406)
Tokyo

Business and management conferences

Current
American Tax Institute: Intercompany (transfer) pricing – US/European tax strategies and planning: public/private sector panel (071-935 7502)
Hilton International Hotel, Paris

June 20
Mintel: Tomorrow's retailing: juggling for success (071-606 4533)
The Barbican, London

June 21
The Royal Institute of International Affairs: The Pacific rim – future opportunities and challenges (071-930 2233)
Chatham House

June 21-22
Beverley Training Services: Winning the trade battle in Greater Europe (0482 868362)
Willerby, near Hull

June 22
CBI Conferences: German unification – What does it mean for British business (071-379 7400)
Centre Point, London

June 25-26
Financial Times Conferences: World gold conference (071-925 2323)
Venice

June 25-26
The Economist: Insurance: How an industry goes global (071-976 6565)
Royal Garden Hotel, London

June 26-27
American Metal Market/Paine Webber's *World Steel Dynamics*: Steel survival strategies V – Harnessing steel's technological revolution (US 212 741 4156)
Plaza Hotel, New York

June 27
London Chamber of Commerce *and Industry/Barclays Bank:* EC structural fund opportunities – a conference to examine specific project opportunities (071-248 4444)
City Conference Centre, London

June 28
The Conference Company: The road to the German information technolgy market – How UK based companies can kick off their marketing campaigns in Germany (071-486 4533)
Le Meriden, London

June 29
Federal Trust for Education and Research – Building a new Europe: the way to wider union (071-839 6625)
London

Anyone wishing to attend any of the above events is advised to telephone the organisers to ensure that there have been no changes to the details published

CONTRACTS & TENDERS

THE EUROPEAN PARLIAMENT

NOTICE OF INVITATION TO TENDER

The European Parliament has published in the supplement to the Official Journal of the European Communities (O.J. S112/65) an invitation to tender for the nomination of a PROPERTY CONSULTANT

to assist and advise the European Parliament in connection with a new building complex in Brussels.

The deadline date for submission of offers is 13 July 1990.

Requests for details of this invitation to tender should be submitted to one of the following addresses by 22nd June 1990 at the latest:

The European Parliament
Information Office
2 Queen Anne's Gate
LONDON SW1H 9AA
Tel: 071-222 0411

The European Parliament
Buildings Division
Kirchberg
LUXEMBOURG 2929
Tel: 010 352 4300.3500

The European Parliament
Buildings Service
Rue Belliard
BRUSSELS 1040
Tel: 010 322 234.34.34

LEGAL NOTICE

APPLEBY (MIDLANDS) LIMITED

IN RECEIVERSHIP

NOTICE IS HEREBY GIVEN, pursuant to Section 48 of the Insolvency Act 1986, that a MEETING of the CREDITORS of the above named company will be held at The Grand Hotel, Granby Street Leicester on 26 June 1990 at 10:30 am for the purposes of having *laid before it the report prepared by the* Administrative Receiver in accordance with the said section and, if thought fit, appointing a Committee.

Creditors whose claims are wholly secured are entitled to attend or vote at the meeting. *Creditors who are partly secured may only* vote in respect of the balance of the amount due to them after deducting the value of the security, as estimated by them. A creditor in respect of a debt due on, or secured by, a bill of exchange or promissory note must *treat the liability of any person who is liable* on the bill antecedently to the company as a security held by him (unless the other person is subject to a bankruptcy order or in liquidation).

Creditors wishing to vote at the above meeting must lodge a written statement of their claims with me at Cork Gully, Abacus House, 37 Friar Lane, Leicester, LE1 5RA no later than [illegible] on 25 June 1990. Forms of proxy, if intended to be used, must be lodged with us by that time.

DATED this 11th day of June 1990

[illegible] *P. Powell*
Joint Administrative Receiver

DRINKWATER LEWIN (HAULAGE) LTD

(IN LIQUIDATION)

In accordance with rule 4.106 of the Insolvency Rules 1986, notice is hereby given that I, Ronald Peter Grant of Lawrence Grant of 37 Stanmore Hill, Stanmore, Middlesex was appointed Liquidator of the above company by the creditors on 6th June 1990.

Notice is hereby given that the creditors of the above-named company, are required, on or before 20 July 1990 to send their full *Christian and Surnames, their addresses* and descriptions, and full particulars of their debts or claims to the undersigned, Ronald Peter Grant of Lawrence Grant, 37 Stanmore Hill, Stanmore, Middlesex HA7 3DS, the Liquidator *of the said Company, and if so* required in writing from the said Liquidator, are personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

8th June 1990

Liquidator
R. P. Grant

RENTALS

ISLINGTON FULHAM KINGS CROSS Houses & Maisonettes F/F close Tubes 3/6 Beds 071 637 3188

COMPANY NOTICES

CANADIAN PACIFIC LIMITED

At a meeting of the Board of Directors held today, the following dividends were declared:

ORDINARY SHARES
A quarterly dividend of twenty-three cents (23c) Canadian per share on the outstanding Ordinary Shares, payable on July 30, 1990, to holders of record at the close of business on June 27, 1990.

PREFERENCE SHARES
A semi-annual dividend of $0.02 per Canadian Dollar Preference Share and 2/3 pence per Sterling Preference Share on the outstanding Preference Shares in respect of the year 1990, payable on July 30, 1990, to holders of record at the close of business on June 27, 1990.

BY ORDER OF THE BOARD.

D.J. DEEGAN
VICE-PRESIDENT
AND SECRETARY
CALGARY, June 11, 1990

BANK LEUMI (UK) PLC

US $10,000,000 UNDATED PRIMARY CAPITAL FLOATING RATE NOTES

The interest rate applicable to the above *Notes in respect of the interest period commencing 13th June 1990 has been* fixed at 8⅞% per annum.

The interest amounting to US $45.11 per US $1,000 and US $451.15 per US $10,000 principal amount of the Notes will be paid on 13th December 1990 against presentation of Coupon No. 10.

BANK LEUMI (UK) PLC
Principal Paying Agent.

bank leumi בנק לאומי

MOTOR CAR ADVERTISING
appears every Saturday in the
WEEKEND FT.

REACH THE RIGHT READERS
by advertising now

Telephone
James Burton 071-873 3218

INVITATION FOR BIDS

Loan No	: 2602 TU
File No	: ....
Order No	: 114-ISB/DIB-250
Date of Issuance	: June 16.1990
Bid Submission Date	: August 2.1990

1. The TURKISH ELECTRICITY AUTHORITY, *hereinafter referred to as TEK, has received a* loan amounting to 140.000.000 USD from the WORLD BANK in various currencies towards the *cost of Power Systems Operations Assistance* Project and part of the proceeds of this loan will be applied to eligible payments under the Contract (s) for which this Invitation For Bids Issued.

2. The TURKISH ELECTRICITY AUTHORITY now *invites sealed bids from eligible Bidders* for supply of a total of measuring instruments for distribution systems.

   All the above equipment shall be supplied according to the Bidding Documents.

3. Interested eligible Bidders may obtain further information from and inspect the Bidding Documents at the office of:

   TURKISH ELECTRICITY AUTHORITY
   General Management
   Commercial Affairs Department
   Inonu Bulvari No: 27 Kati : 1
   Bahcelievler Son Durak
   ANKARA/TURKEY
   Telex: 42245 Tek tr

4. A complete set of Bidding Documents may be purchased by any interested eligible Bidder on *the submission of a written application* to the above office and upon payment of a non-refundable fee of 100 USD or 300.000 TRL at the following address:

   TURKISH ELECTRICITY AUTHORITY
   General Management
   Department of Finance
   Inonu Bulvari No: 27 Kat : 4
   Bahcelievler Son Durak
   ANKARA/TURKEY

   Those Bids submitted by the Bidders who did not purchase the Bidding Documents shall be *rejected.*

5. All bids must be accompanied by a bid security in an acceptable form of 3% (three percent) of the bid price and must be delivered to the above office on or before 14.00 hours on August 2. 1990.

6. Bids will be opened in the presence of those Bidders representatives who choose to attend at *14.30 hours on August 2. 1990 at the office:*

   TURKISH ELECTRICITY AUTHORITY
   General Management
   Procurement Commission
   Inonu Bulvari No: 27 Entrance Floor Block A
   Bahcelievler Son Durak
   ANKARA/TURKEY

FINANCIAL TIMES CONFERENCES

CAPITAL MARKETS WORKSHOPS
4,5 & 6 July 1990 - London

The Financial Times and Price Waterhouse joined forces in 1988 to arrange a highly popular series of capital market workshops. The Workshops provide intensive training for small numbers of individuals and a further one is planned this Summer. The programme provides detailed coverage, supported by case studies of capital markets activities, ranging from underlying concepts through the specific markets and instruments, to practical guidance on key aspects of management and control of the business including operations, risk management and performance measurement.

THE FT CITY SEMINAR
9, 10 & 11 July 1990 - London

This practical three-day Seminar, now in its sixth successive year, provides a broad overview of the institutions and markets of the City of London. The 1990 programme has been updated to include discussion of *the impact of the Single European Market and an* examination of the changes taking place in Central and Eastern Europe. Speakers taking part include: Andrew Tuckey, Chairman, Baring Brothers & Co, Limited; The Rt Hon John Redwood, MP, *Parliamentary* Under Secretary of State for Corporate Affairs at the DTI; Geoffrey Barnett, Director General, The Panel on Takeovers and Mergers; Nicholas Jones, Managing Director, Lazard Brothers & Co Limited, Mark Boleat, Director General, The Building Societies Association, John Footman, Head of Information Division, Bank of England and The Rt Hon John Smith, QC, MP, Shadow Chancellor of the Exchequer.

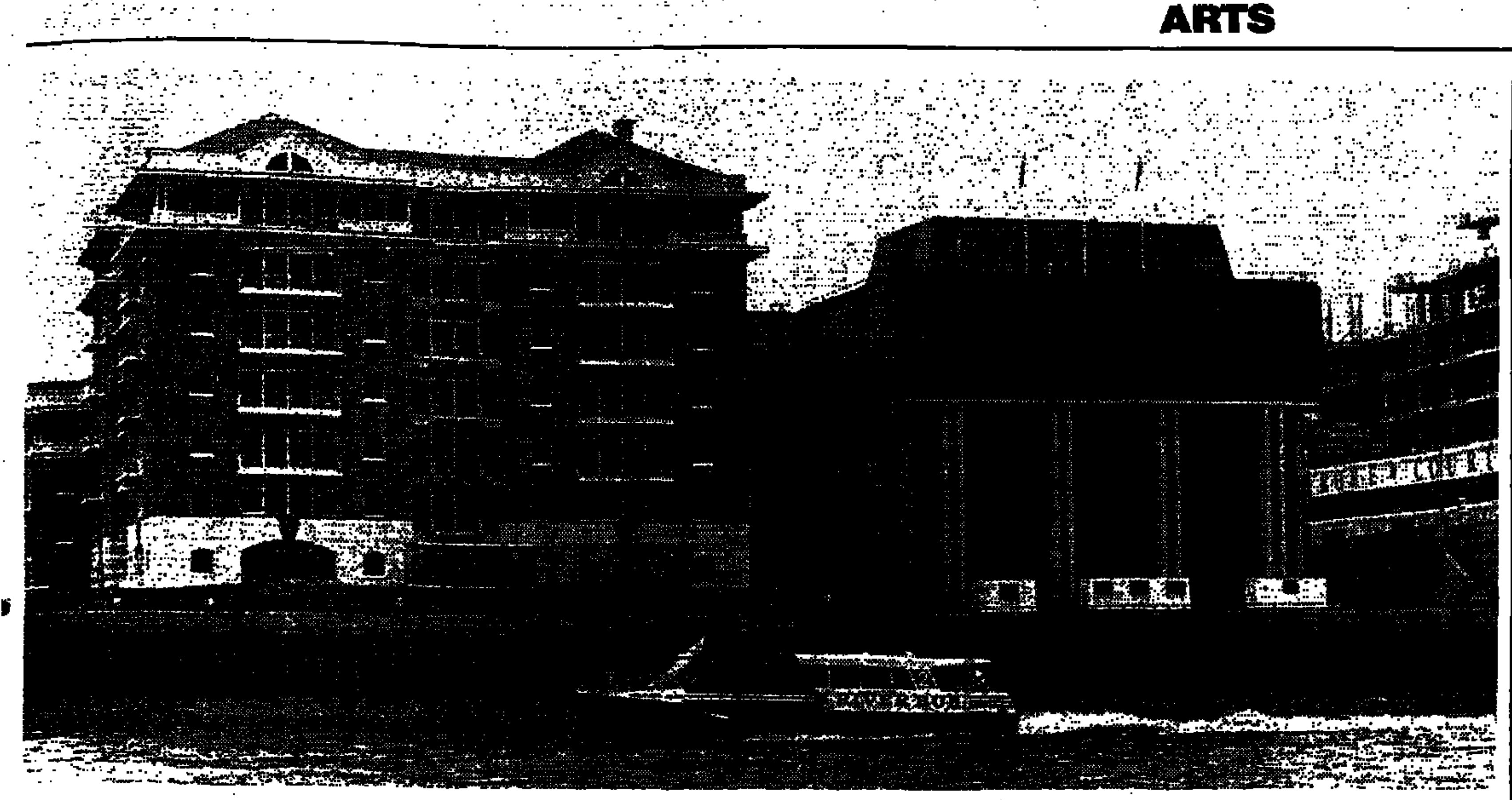
TELECOMMUNICATIONS AND THE EUROPEAN BUSINESS MARKET
11 & 12 July 1990 - London

This Financial Times conference, the sixth in this *important series*, will focus on the needs of the corporate user, how the international trend towards deregulation and the development of new services is providing business opportunities and applications.

Speakers include: Dr Herbert Ungerer, Commission of the European Communities; René Kinsoen, European Council of Telecommunications Users Associations; Professor Michael Beesley, CBE, London Business School; Jean-François Berry, Association Française des Utilisateurs du Téléphones et des Télécommunications; Lionel Fleury, Agence France Presse; Peter Gonchie, OBE, British Aerospace (Space Systems) Limited; Bruno Lasserre, Ministère des Postes, des Télécommunications et de l'Espace; Hermann Neus, IBM Germany; Derek Nicholas, Responsible for EEC Affairs, INTUG; Alan Horne, TMA Representative, ETSI; Greg Staple, International Institute of Communications; Bernard Smedley, Motorola Inc.

All enquiries should be addressed to:
Financial Times Conference Organisation
126 Jermyn Street, London SW1Y 4UJ
Tel: 071-925 2323 (24-hour answering service)
Telex: 27347 FT CONF G Fax: 071-925 2125

ARTS



Tony Andrews

All hung up on Bankside: Red Lion Court with its period face, left, next to the FT glass rectangle, Number One Southwark Bridge

ARCHITECTURE

Neighbours with an identity crisis

To help the reader understand what the following conversation is all about, he would be well advised to stand upon Southwark Bridge and look downstream towards the south eastern corner of the bridge where the headquarters of this newspaper are modestly situated. He will see two new buildings alongside the Thames. The one closest to the bridge (known as Number One Southwark Bridge, home of the *FT*) is a glassy box with protruding upper floors and granite clad supporting members all round the building. The other, downstream block has the air of an older construction with brick and stone and vaguely classical details, and is just being completed.

These two office blocks represent in a low key fashion the architectural dilemma. I wondered what the buildings themselves think about it all. The *Financial Times* building speaks first to his neighbour.

"I hope you don't mind my introducing myself, but I been watching you grow. You are looking extraordinary. You know Oscar Wilde said that it is only shallow people who do not judge by appearances – well, he would have been fascinated to know why we both look the way we do. I'm settling down in Southwark now, but I'm still waiting for them to finish my railings and my entrance; it's dreadful how long builders can take, don't you think? They call me Number One, by the way, what's your name."

"I'm glad you took the plunge and spoke first, because I have been glancing in your direction but I find all your smooth dark glass rather inscrutable. It's hard to know what you are thinking. But then they call you "no comment" don't they? I'm going to be known as Red Lion Court. There's a wharf not far from here called Red Lion Wharf and I suppose my developer, Mr Regalian, wanted to make me sound a bit historic because it's quite hard, you know, to get people to come to Southwark from the City, even though we're only a few yards across the river. Mr Regalian Properties are lucky to have pre-let me to Lloyds Bank. Not quite as stylish as The *Financial Times* of course . . . "

"Oh, I wouldn't say that. The South side of the river seems to be quite popular with banks, you know. Just upstream the Midland Bank are building a huge cheque clearing centre, near where they're going to rebuild The Globe Theatre. But I'm sure you'll be at home here – after all, they call it Bankside. But forgive me being personal, but why do you already look like an older building? Is that something banks particularly like?"

"I don't know that banks have any architectural views. All I know is that the architects invented this new kind of architecture where you build a frame of steel and then hang on it what ever you want. Because there's a lot of local authority houses behind me I think the planners tried to get something that looked domestic. Would you, just for the benefit of your readers, like me to describe myself?"

"Yes please, speak away Red Lion Court – as long as I can do the same."

"Well, I don't want to boast, but I'm what is known today as a quality building. You see, I appear to be traditionally built of brick and stone and my roofs are pitched and look as though they are made of slate. Of course you know that really I'm just like you beneath the skin, but my architects think I'm the last word in current architectural thinking. You may think you are modern, but I am post modern, which is much more up to the minute. I have a rusticated stone base and these big arches and key stones on the ground floor that I'm very proud of. Don't you think they are rather grand? You can't miss my entrances. The round lanterns are rather swish too. But then the really special thing is that I've got pediments. Above my projecting white cornices (and they are a bit odd I must say, they make me feel quite awkward – a bit like having shoulder pads that are too big) there are traditional white triangular pediments. They just delivered them on the back of a lorry and swung them up here on a crane. I'm really made up of pieces that are made off the site. Somebody in your paper described me as "wallpaper architecture" – I know what they mean; I have to admit that, my styling is only skin deep. What do you think of my granite stripes and my delicate balconies?"

"I rather hoped you wouldn't ask quite such direct questions. Those balconies don't look substantial enough to me and I wonder why on your side wall you already have bricked up windows. It's the poll tax that Southwark are protesting about, you know, not the revival of a window tax. But let me tell you about myself; after all the *FT* has been here longer than you have. They tell me that my simple glassy appearance goes way back to the late 1960's when I was designed in detail for another developer altogether – European Ferries I think it was. Anyway, when Mr Regalian bought this site he found he already had a completely designed building ready to go – even the working drawings were done. And so, although I was built at the end of the 1980s, I have to admit that I was designed at least 20 years ago. It is a bit embarrassing really because the *FT* ought to have had an office building that really was the state of the art. But you can't see inside me. They brought in Michael Hopkins and he has done a pretty cool exercise making the place work and look elegant. Funnily enough, your arrival next door with all your colonial appendages has made me look rather sleek. I feel a bit more confident now."

"I never thought that the *FT* lacked confidence. You really do make me feel a bit nervous now. I'm not sure what I'm supposed to be. Do you think architects know what they are up to? Or are they just ready to do whatever fashion the developers want. The planners interfere a lot, don't they? Round here they have a job to know what is best for Southwark. But your smooth rectangle and my period face are just disguises for rentable floors. We don't have much to with people or the city, you know, because we were both just speculations. You can't get good designs without clients who really care. By the way, *Financial Times*, what's the name of your architect?"

"Well it's a big commercial firm called T.P.Bennet and Partners."

"Funny, that same as mine."

Colin Amery

Francesca and Clytaemnestra

BLOOMINGTON

In one of the Americo-Russian educational exchanges that become increasingly common, the Moscow State Conservatory sent two graduate casts and a conductor over to Bloomington, Indiana, to sing in the first American productions of Rakhmaninov's opera *Francesca da Rimini*, given in a double bill, with a Bloomington orchestra, with John Eaton's *The Cry of Clytaemnestra* sung by Bloomington students; and then the bill went to Moscow, where a State Conservatory orchestra played.

Rakhmaninov, whose *Aleko* was given at the Bolshoy in 1896, had a brief but apparently brilliant period, 1904-06, as musical director there; *Francesca* and his Pushkin one-acter *The Miserly Knight* appeared at the end of it. *Francesca* has had few performances since though a Melodiya recording with Kasrashavili, Atlantov, and Nesterenko has had some circulation. I thought it a disappointing, ill-proportioned, and undramatic opera. The librettist was Modest Chaikovsky Too much of the work is prelude: Virgil and Dante entering the Circle of Hell where the shades of sensual sinners are endlessly whirled. After 57 pages of it, the story of Francesca and Paolo is enacted, none too deftly, in 80 pages, and there is a 20-page coda of wordless lamentation, back in Hell.

Nothing much stayed in the mind except a general impression of the turbulent instrumental writing, with the chorus treated an another orchestral division. The Russian singers had voices but they were stodgy, unimpassioned actors. Francesca and Paolo pumped out love duets as if uninterested in one another.

Clytaemnestra, on the other hand, made a powerful impression. It is one of the strongest American operas, with vocal lines that etch themselves on a listener's emotions. (First seen at Bloomington in 1980, it has also been produced in New York, San Francisco, and Purchase.) Agamemnon's return to Mycenae is imminent: Clytemnestra recalls the sacrifice of Iphigenia (a memory scene), contemplates the welcome that she plans for her husband (a murderous flash-forward scene), and as harsh fanfares blare out announcing his return she goes to meet him, resolute and triumphant, and the curtain falls. There are roles for Iphigenia, Calchas, Electra, Orestes, Aegisthus. Past, present, and future alternate, and an extended cry from Clytemnestra, torn as if from her soul, punctuates the score.

Nelda Nelson was a gleaming, potent heroine. The opera is composed in quarter-tones, and for a small orchestra of soloists, with electronics. The Bloomington performance, conducted by Thomas Baldner, was vivid. One speculated what the Russian players would make of it; in fact, the composer reported that he had never heard his score more accurately or more passionately played.

Andrew Porter

The Black Rider

VIENNA FESTIVAL

The charming Austrian lady MP on the flight over tutted and clucked at the mention of the Vienna Festival, confidingly hissing that it was not always very good. (I said we had the same trouble with Edinburgh.) She added, conversely, that Salzburg was outrageously overpriced and hard to get into, and you could catch the same things at the State Opera.

Without wishing to trespass on my musical colleagues' territory, I can confirm the solid virtues of a *Zauberflöte* at the Staatsoper. Carlos Kalmar, a young conductor new to me, directed a plushly symphonic reading, warmer and richer than we purist Anglo-Saxons are now used to. A little speedy for Monostatos (a real tenor, unlike Covent Garden's dry-voiced *comprimario*), a little slow for Sarastro (though the venerable Kurt Moll's "In diesen heiligen Hallen" was nobly sung), the performance boasted the most mellifluous Three Ladies of my experience, Luciana Serra in effortlessly spitfire form for the Queen of the Night's second aria ("O zittre nicht" was more tentative) and Deon van der Walt transformed by the Staatsoper's comforting acoustic from the reedy *tenore di grazia* we know in London into a ringing near-heroic Tamino. Anton Scharinger wasted no gags on the audience, possibly because it consisted mainly of Japanese and Americans, so his Papageno seemed incomplete despite a beefy but focused bass-baritone, a facial resemblance to the young Hermann Prey and hints that he could clown adequately if put to it by Otto Schenk's unobtrusively conventional production.

Robert Wilson should have a go at Zauberflöte. The American theatre wizard has collaborated with the writer William Burroughs and rock musician Tom Waites on a version of *Der Freischütz* that owes more to Thomas de Quincey's *The Fatal Marksman* than Weber's opera. The Thalia Theater of Hamburg brought their world première production to the Messepalast for the crowning week of the Festival. *The Black Rider* or *The Casting of the Magic Bullets* was a wonderful stylistic mixture of grotesque comic-strip, expressionism and sent-up Hammer horror: *Doctor Caligari* crossed with *Cabaret*.

Burroughs' text spoken recounts the folktale of the marksman who bargains with the Evil One in return for what the English synopsis referred to as "enchanted balls." Easy, perhaps, to read a certain subjective allegory into the seeker for truth's dabbling in proscribed arts; Burroughs' own creative life has meandered down arcane paths of drugs and sex. The production beautifully underlies the poisoned folksiness of the text's blend of simple and sinister. The auditorium rings with fairground music. A magician's cabinet spews out the cast of ashen-faced, mascara-eyed automata. Wilson both uses and subverts the traditions of horror, both sending them up and exploiting them to create a world of nightmare menace.

The dialogue is German with quite a bit of English thrown in ("Put down a pen and pick up a gun/Easy said and *schwer getan*"); the songs are sung in the American that now passes for English on the continent, and indeed much of England. Tom Waits himself has mentioned Brecht and Weill in connection with his new numbers; in fact the haunting tunes and gothic imagery put the score in a more romantic mould. One hesitates to drop the dread name of Lloyd Webber – Waits' songs are tougher, more melodic and more gutsy – but this is the sort of music that could, *should*, have clothed *The Phantom of the Opera*.

Silhouettes, bird-headed creatures, a dream landscape of bloody cadavers of men and beasts, a tragi-comic hero whose trousers fall with the comic promptness of a farcical stooge, a leering tempter who drags his scarlet coat-tails along the ground like a red rat and some accomplished vocalising – all leave one uneasily uncertain as to how tongue-in-cheek the treatment is; and how forked and flickering the tongue may be. A fascinating show.

Martin Hoyle

Philharmonia

FESTIVAL HALL

For a long time after the Second World War, Prokofiev's Fifth Symphony was heard more often than Shostakovich's; now, much less. It is a good piece, in its truculently confident way, and it was good to hear it again last Thursday in Charles Dutoit's well-sprung performance with the Philharmonia. I doubt that Prokofiev's "Andante" for the opening movement meant something quite so measured as Dutoit's tempo (Russian conductors at home and abroad prefer a brisker stride), but it was firmly held, and the climaxes went off with terrific reports.

The cool Dutoit never pulls music about, though he gave full value to express effects like the crackling, shrieking close of Prokofiev's finale. Here and there the Philharmonia players sounded shyly British about characterising the material in unabashed Slav style. One realised that with a jolt when – by contrast – the first clarinet launched that finale with rollicking wit, idiomatic as could be (one looked quickly to see who it was: Michael Collins, of course). Granted the prevailing temperateness, it was a decently resounding performance, in places *soigné* well beyond the norm.

That was certainly true of Falla's *Three-Cornered Hat* dances at the start of the programme, which Dutoit treated with far more attentive subtlety than most conductors bother to summon up. He lost none of the excitement thereby, though he and the castanet-player (better than tourist-class, but not the real thing) failed to achieve perfect rapport in the Jota.

In the lovely Berlioz cycle *Les Nuits d'été*, the conductor shaped exquisite passages in the accompaniments – the passing apparition in "Au cimetière" was magical – while his soloist, the mezzo Jard van Nes, did her own Dutch thing.

It is a lovely voice; plain sincerity and dogged rhythm are not enough for the *Nuits d'été*, however, nor experimental French vowels, nor weak attack on the top notes of "Villanelle" or "Le Spectre de la Rose" (imprudently slow, anyway). In other things, Miss van Nes is generally a great pleasure to hear.

David Murray

Kunakova and Zelensky

COLISEUM

The beauties of the Kirov "Swan Lake" – that combination of clarity and assurance in dance; serenity and dignity in form – seemed at their most persuasive on Saturday afternoon as a frame for the performances of Lyubov Kunakova and Igor Zelensky. Kunakova is an established and distinguished ballerina; Zelensky a young man on the brink of what must surely be a magnificent career. His interpretation is at present impeccable in manners, broad in gesture , feeling controlled in Kirovian fashion, the role of the youthful prince drawn with a touching simplicity. It is against the rules of this production for Siegfried to make the sort of dramatic fuss we know from other stagings: we see him briefly torn between scholarly tutor and goblet-bearing Jester, and we sense traces of melancholy in his temperament. (This is enough, in a production whose greatness lies in its noble discretion.) But as the first act, with its elegant and eloquently placed mime, ends, Zelensky's Siegfried suddenly unleashes a couple of steps, devouring the stage with massive power, and his prodigious dance quality is at once evident. With the ball-room duet, we see something of the range of an exceptional danseur. The jump is massive, absolutely unforced, so that Zelensky seems to ride his leaps as a surfer might a huge wave . A circuit of the stage eats up space, movement stretched vastly out and unmarked by any strain. The most engaging thing about this dancing is Zelensky's evident delight in physical bravura; the most commendable thing the absence of mannerism and the academic grace of his style, with its easy harmonies of "contraposto." His abilities still look unblemished, school-room pure: they promise great things.

The partnership with Lyubov Kunakova is happy. She is an artist who draws us into her role by the clarity of her dancing. The choreography is generously exposed – her arms crown every action; her line is pure, musically responsive in setting out a phrase – and the dramatics are unemphatically true. Lovely the way, as Odette, that she rises to the greatest emotional moments of the pas de deux so that feeling seems to course through each movement; admirable the way in which her Odile dominates Siegfried without "femme fatale" antics destroying the limpidity of her style. It is a performance, like Zelensky's, that tells of the continuing genius of the Leningrad school, and the abiding merit of the purest academic classicism.

Clement Crisp

ARTS GUIDE

June 15-21

MUSIC, OPERA, and BALLET

London

Abdullah Ibrahim and his band Ekaya: 'Celebration! South Africa new nation!' (Tues). Royal Festival Hall (928 8800).

Artaria String Quartet with Clara Taylor (piano). Beethoven and Schumann (Wed). Purcell Room (928 8800).

Royal Philharmonic Orchestra conducted by André Previn, with Viktoria Mullova. Brahms, Elgar (Thur). Royal Festival Hall (928 8800).

Paris

Alfred Brendel (piano). Haydn, Schumann, Beethoven (Mon). Salle Pleyel (45638873).

Lucia Valentini Terrani recital (Mon). Salle Gaveau (45632030).

Frans Brueggen conducting an 18th century orchestra and flute soloist. Bach, Schubert (Tue). Salle Pleyel (45638873).

Jessye Norman recital. Brahms, Mahler, Satie, de Falla (Wed). Salle Pleyel (45638873).

Brussels

James Bowman (counter-tenor), Philippe Foulon (viola da gamba), Florence Malgoire (violin), Daniele Salzer (harpsichord) and Alain Viand (violin) play Buxtehude, Franck, Purcell and Telemann (Wed). Cercle Royal Gaulois (653 48 52).

Antwerp

Judith Vindevogel (soprano) accompanied by Alain Franco (piano) songs of Bernstein, Messiaen, Satie, Strauss and Weill (Mon) Sint Elisabethgasthuis.

Frankfurt

Frankfurt Opera and Museum Orchestra under Gary Bertini with Kyung Wha Chung (violin) plays Webern, Mozart and Tchaikovsky (Mon).

Milan

Mikhail Pletnev (piano) playing Tchaikovsky and Chopin (Mon).Teatro Alla Scala (80.91.26).

Rome

Giuseppe Sinopoli conducting Beethoven's Missa Solemnis (Mon, Tues). Auditorium in Via Della Conciliazione (6541044).

Madrid

Paul Badura-skoda (piano). Mozart (Tues). Auditorio Nacional de Musica (337 01 00).

Ian Fountain (piano). Schubert, Liszt, Chopin (Wed). Auditorio Nacional de Musica (337 01 00).

Irina Zurina (soprano) and violin virtuosi. Handel, Paganini, Rachmaninov, Dvorak, Brahms, Ravel (Mon, Tues). Tartini, Handel, Mozart, Bach, Albioni, Paganini, Shostakovich, Rimsky Korsakov, Prokofiev, Stravinsky (Wed, Thurs). Teatro Monumental (230 53 02).

Barcelona

Philharmonia Orchestra conducted by Charles Dutoit. Berlioz, Falla, Prokofiev (Mon). Palau de la Musica Catalana (301 69 43).

New York

Marilyn Horne recital with Martin Katz (piano). Dvorak, Gershwin, Berlin, Kern (Thur). Carnegie Hall (247 7800).

Tokyo

Oleg Maisenberg (piano). Rachmaninov, Prokofiev, Tchaikovsky, Stravinsky (Tues). Tokyo Bunka Kaikan, recital hall (401 9561).

Japanese Classical Music. Works by Tokuhide Niimi for traditional instruments, conducted by the composer (Tues). Tsuda Hall (402 1851).

Orchestre de Chambre Jean Francois Paillard, with Gerard Jarry (violin). Pergolesi, Haydn, Bach (Wed). Tokyo Bunka Kaikan (289 9999).

Japan Philharmonic Orchestra, conducted by Ken-ichiro Kobayashi, with France Clidat (piano). Liszt, Stravinsky (Thur). Suntory Hall (284 5911).

The King's Consort. Handel, Vivaldi, Purcell, Bach (Thur). Casals Hall (403 5871).

London

English National Opera, Coliseum. No performances until August.

Ballet. At the Coliseum the glorious Kirov Ballet brings in a new staging of *The Sleeping Beauty* (Tues, Wed). At Covent Garden the Royal Ballet presents *Romeo and Juliet* (Wed).

Paris

Chatelet. Handel's *Alcina* inspired by *Orlando Furioso*, conducted by William Christie with Arleen Auger in the title role is co-produced by the Grand Théâtre de Genève and the Ensemble Orchestral de Paris (40282840).

Brussels

Théâtre Royal de la Monnaie. Richard Strauss's *Der Rosenkavalier* performed by the Monnaie opera and orchestra conducted by Emil Tchakarov, sets by Carlo Tommasi, staged by Gilbert Deflo with Judith Beckmann, Gunter Missenhardt, Lani Poulson.

Liège

Théâtre Royal. The Royal Wallonia opera in Puccini's *Manon Lescaut*, staged by Pierre Fleta with Jules Bastin, Daniel Munoz, Danuta Salska, Marcel Vanaud.

Berlin

Opera. *Der Feuervogel/Le Sacré du Printemps/Bolero* are all choreographed by Maurice Béjart. *Don Giovanni* has a newcast led by Angela Denning, Stefan Margita, Mariette Kemmer, Julien Robbins, Manfred Roehrl and conducted by Heinrich Hoellreiser. A Lieder recital by two famous bass singers Kurt Moll and Harald Stamm singing Mendelssohn, Anton Rubinstein, Dvorak, Ravel, Shostakovich, Mattiesen and Schubert. *La Bohème* is sung by Kallen Esperian, Gwendolyn Bradley, Antonio Ordonez and Andreas Schmidt. Also *Der Barbier von Sevilla* and a Kaja Borris Lieder recital.

Hamburg

Opera. The Brecht/Weill opera *Aufstieg und Fall der StadtMahagonny* has a strong cast led by Ning Liang/Renate Spingler, William Pell, Eva Gilhofer, Oskar Puergstaller /Piotr Czajkowski and Toni Blankenheim.

Frankfurt

Opera. The successful *La Clemenza di Tito* production convinces thanks to Alicia Nafe, Ana Pusar and Keith Lewis. Also offered *Il Barbiere di Siviglia*.

Cologne

Opera. Jean Pierre Ponnelle's wonderful *Die Hochzeit des Figaro* production features Ashley Putnam, Teresa Ringholz, Alessandro Corbelli and Martin Finke. *Die verkaufte Braut* is a well done repertoire performance.

Munich

Opera. Rossini's rarely played *Mose* is sung by Cornelia Wulkopf, Doris Soffel, Alejandro Ramirez and Manfred Schenk. *Rigoletto* has a first-rate cast led by Daphne Evangelatos, Mariella Devia, Leo Nucci and Kurt Moll. *Onegin* has John Cranko choreography. *Die Jungfrau von Orleans* stars Waltraud Meier, Julia Conwell, John Broecheler and Theo Adam.

Milan

Teatro Alla Scala. Last opera this season is a slightly sinister rendering of Tchaikovsky's *Queen of Spades* by the Russian/American cinema director Andrej Koncialovsky set in a twilight 18th century, designed by Ezio Frigerio. Mirella Freni, Vladimir Atlantov and Margherita Zimmerman lead the cast, conducted by Seiji Osawa. Also a repeat of *La traviata*, conducted by Riccardo Muti, with the young Tiziana Fabbricini as Violetta (80.91.26).

Rome

Teatro Valle. The Teatro dell'Opera opens its summer season here with Paisiello's *Don Chisciotte*, in Pino Micol's production with sets and costumes by the painter Ugo Nespolo. Paolo Barbacini, Elena Zilio and Nuccia Focile lead the cast, conducted by Gail Gilgor (654.3704).

Florence

Teatro Communale. Luciano Pavarotti in GiulianoMontaldo's production of Verdi's *Il Trovatore* conducted by Zubin Mehta (2779236).

Venice

Teatro la Fenice. A romantic and highly successful production by Pier Luigi Pizzi of Wagner's *Lohengrin*, conducted by Christian Theilemann, with Francisco Araiza in the title role (5210161).

New York

Metropolitan Opera. *La Traviata* conducted by Christian Badea is performed free in Central Park with Marilyn Mims as Violetta, Alfredo Kraus as Alfredo and Sherrill Milnes as Germont (Tue).

Tokyo

Ballets Trockadero de Monte Carlo. The all-male company in their endearing send-up of the classical tradition. Nakano sun Plaza. (980 9988). Ends Wednesday.

OBITUARY

Dame Eva Turner

Dame Eva Turner, one of the outstanding dramatic sopranos of the inter-war years, has died, aged 98.

Eva Turner was born at Oldham, Lancashire, in 1892 and brought up in Bristol, where she studied singing with Dan Roothan, continuing her training in London at the RAM. The 'prentice years were spent with the Carl Rosa Opera Company, singing a wide range of parts between 1916 and 1924, when Toscanini's assistant Ettore Panizza heard her and arranged for her to audition with the master, who engaged her for La Scala, Milan.

Her debut there (as Freia in *Das Rheingold*, in 1924) marked the beginning of an international career which brought her on several occasions to Covent Garden at a time when British singers, in the summer seasons at least, were rarely heard in major roles. The voice was huge, under iron control with brilliant cutting power but also plenty of warmth. The top was impregnable, the low notes firm without chestiness, the middle register lustrous and strong.

Turner's most spectacular role was the heroine of Puccini's *Turandot*. The high tessitura held no terrors for her – when many years later she heard Alfano's first version of his ending to the unfinished third act, she exclaimed "I would love to have sung that."

Notable concert appearances with Beecham at Queen's Hall included, on one occasion, excerpts from "Les Troyens" and on another a thrilling account (in Finnish) of the formidable *Luonnotar* of Sibelius.

The Second World War robbed Turner of what should have been the climactic years of her operatic career. Instead of returning to the US, where she had been heard in three seasons at Chicago, she preferred to remain in wartime Britain, singing at concerts (the Proms included) for the general public and forces.

She re-appeared at Covent Garden as Turandot in 1947 and 1948, then slipped unostentatiously from singing to teaching – at the University of Oklahoma from 1950 to 1959, later at her old London college, the RAM.

For many years at home and abroad Eva Turner continued to share her wisdom and experience with young artists and, through radio and TV, with wider audiences. She was greatly loved for her spontaneous, down-to-earth friendliness, accessibility, helpfulness and unquenchable energy.

She was made DBE in 1962 and her 90th birthday in 1982 was marked by a big public celebration at Covent Garden.

Ronald Crichton

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Schengen back on track

THE treaty of Schengen, abolishing all frontier controls between France, Germany and the Benelux countries, is to be signed tomorrow. This follows a six-month delay caused by the dramatic turn of events in East Germany last autumn. The treaty was to have been signed on December 15, but at the last minute the West German Government backed out.

The treaty requires its signatories to enforce controls to a common standard at their frontiers with third countries: only on those terms did each feel confident that it could abandon its national controls with impunity. In the circumstances of last autumn East Germany would have been a third country and therefore the frontier of "Schengenland" would have run along the inner German border. By last December the idea of imposing controls on that border from the western side had become unthinkable.

The problem would still arise today if the treaty were to enter into force immediately on signature. But it requires ratification by the national *parliaments of all the signa*tory states, which is expected to take at least a year. The signatories hope that the actual dismantling of the frontiers can happen by January 1, 1992; and they are tacitly assuming that by then East Germany will be part of the Federal Republic, so that the eastern frontier posts of Schengenland can be constructed along the Oder-Neisse line.

Internal market

Seven EC member states find themselves outside Schengenland – some of their own volition, others (notably Italy) because they are not yet in a position to guarantee the impermeability of their "external" frontiers (or coasts) to the standard that the Schengen signatories require. All, however, put their names to the Single European Act of 1986, pledging the European Community to establish its internal market by December 31 1992, and specifying that "the internal market shall comprise an area without internal frontiers in which the free movement of goods, persons, services and capital is ensured".

The European Commission, supported by most of the member states, argues, plausibly enough, that this implies the removal of all border controls within the Community. Those who resist that argument – notably the British Government – take their stand on the words immediately following those quoted: "in accordance with the provisions of this treaty". The treaty in question is the Treaty of Rome, which the Single Act amended.

Unimpeded movement

Britain argues that, while it certainly envisaged unimpeded movement for the nationals of member-states, it did not intend this privilege to be extended to nationals of third countries. Ergo, member states *may maintain border controls* in order to check the movements of third-country nationals between them. Also, Britain quotes the declaration accompanying the Single Act, under which: "Nothing in these provisions shall affect the right of member states to take such measures as they consider necessary for the purpose of controlling immigration from third countries, and to combat terrorism, crime, the traffic in drugs and illicit trading in works of art and antiques." Needless to say, Britain counts border controls among such measures.

The first of these arguments is mere legal logic-chopping and flies manifestly in the face of the whole spirit of the act. *The second is more serious.* Clearly, before removing border controls at national frontiers, the authorities in each country do need to be convinced that they can have confidence in the policing of the common external frontier by all the other member states, and that their chances of apprehending terrorists, drug dealers and other serious criminals are not seriously impaired. The agreements reached last week in Dublin by Justice and Interior ministers should help to achieve that.

Meanwhile the five Schengen countries are to be congratulated on their bold experiment. The results during 1992, when their treaty is already in force and the last details of the internal market are being negotiated within the Community, will be monitored with intense interest.

The politics of NHS reform

THE timing of politically sensitive reforms is all important. Sir Norman Fowler's overhaul of the UK social security system went through relatively smoothly because implementation of the changes was delayed until after the 1987 general election.

In 1988, however, the Thatcher Government's triumphal mood led it to take bigger risks with National Health Service reform. Controversial changes – such as the creation of self-governing hospitals and the delegation of cash budgets to general practitioners – are scheduled for next April, dangerously close to the next general election. With the Labour Party well ahead in the opinion polls, ministers are understandably anxious to avoid a wave of protest about the "dismantling" of the NHS.

During the past year, ministerial rhetoric has subtly changed. The original goals of NHS reform were couched in commercial language. There was much talk of the virtues of an "internal market" in which hospitals would have to "compete" for the custom of patients.

Much of this terminology has since been dropped. Districts have become "commissioners" of care, GPs will be "fund-holders" and the different parts of the NHS will "contract", rather than compete, with each other.

Thus described, the reforms appear evolutionary rather than revolutionary, a natural progression from earlier efforts to improve efficiency.

Changes in terminology

The changes in terminology are sensible. It was stupid to alarm doctors needlessly with talk of markets and competition. But it would be wrong to suppose that Mr Kenneth Clarke, the Health Secretary, is yet prepared to postpone or radically amend his proposals. On present plans, health authorities are to be reconstituted along business lines, cash budgets delegated to a number of family doctors and some large hospitals converted into legally independent agencies.

It would make sense to talk of a major climbdown only if the Government announces that no hospitals will become self-governing before the next election or that the plan to create fund-holding GP practices has been dropped.

Mr Clarke is pressing ahead with the creation of new structures within the NHS. There is, however, a general recognition that change is likely to be more apparent than real for several years. This is less a reflection of loss of nerve on the part of ministers than of the sheer complexity and inertia of the NHS, which remains the largest civilian employer in western Europe. Once contracts are in place, commissioning districts will in principle be free to purchase services from any hospitals in the public or private sectors.

In practice they are likely to start by placing contracts with their existing suppliers; change will thus occur at the margin. The same is likely to be true of fund-holding GPs and newly independent NHS hospital trusts.

Split responsibility

At bottom, the NHS reforms are about creating a division between the purchase and the provision of health care. As hospitals are spun off as independent trusts, districts will gradually lose responsibility for the direct provision of care. In theory, this will allow them to concentrate on their primary task which will be to assess the health needs of their *resident populations* and arrange for cost-effective and high-quality care. In the long run, this split of responsibilities could lead to big changes in the distribution of resources between medical specialities and to a bigger role for private providers. But change is likely to occur gradually, regardless of election timetables.

There are many risks associated with the reforms, not least the possible fragmentation of services.

If the Government is forced to proceed a little more gingerly than it once planned, this may be no bad thing. But it would be wrong to abandon the goal of separating the purchase and provision of care.

In the longer term, if backed by sufficently generous funding policies, this could result in significant improvements in the quality of patient care. It is an apolitical strategy which the modern Labour Party could profitably endorse.

A series of interrelated forces is threatening to undermine air transport competition in Europe, write **Paul Betts** and **Tim Dickson**

Why open skies are under threat

In the annals of the European Community, the letters CAP – for Common Agricultural Policy – have long spelled muddle and unnecessary expense. They still do, but for a new reason: the EC's half-hearted efforts to agree on a common aviation policy.

To universal amazement, EC transport ministers reached a compromise last December on the broad principles of such a policy. But as the same ministers gather in Luxembourg today to finalise the detailed rules to apply between now and the beginning of 1993 – when full freedom of the skies is supposed to be introduced across the EC – the odds appear stacked against any immediate breakthrough.

A set of insidious and interrelated forces is now threatening to undermine the competition the European Commission is attempting to inject into European air transport to give consumers wider choice, better service and lower fares. They could be defined as the "three Cs".

● Collusion between governments and their national, mostly state-controlled, *airlines risks slowing* down the liberalisation agenda in an effort to give flag carriers more time to adapt to a more open and competitive market. The French Government, for example, committed itself to airline deregulation last year but in the same breath also locked up the French market by encouraging Air France to take over UTA and Air Inter, the two other principal French airlines.

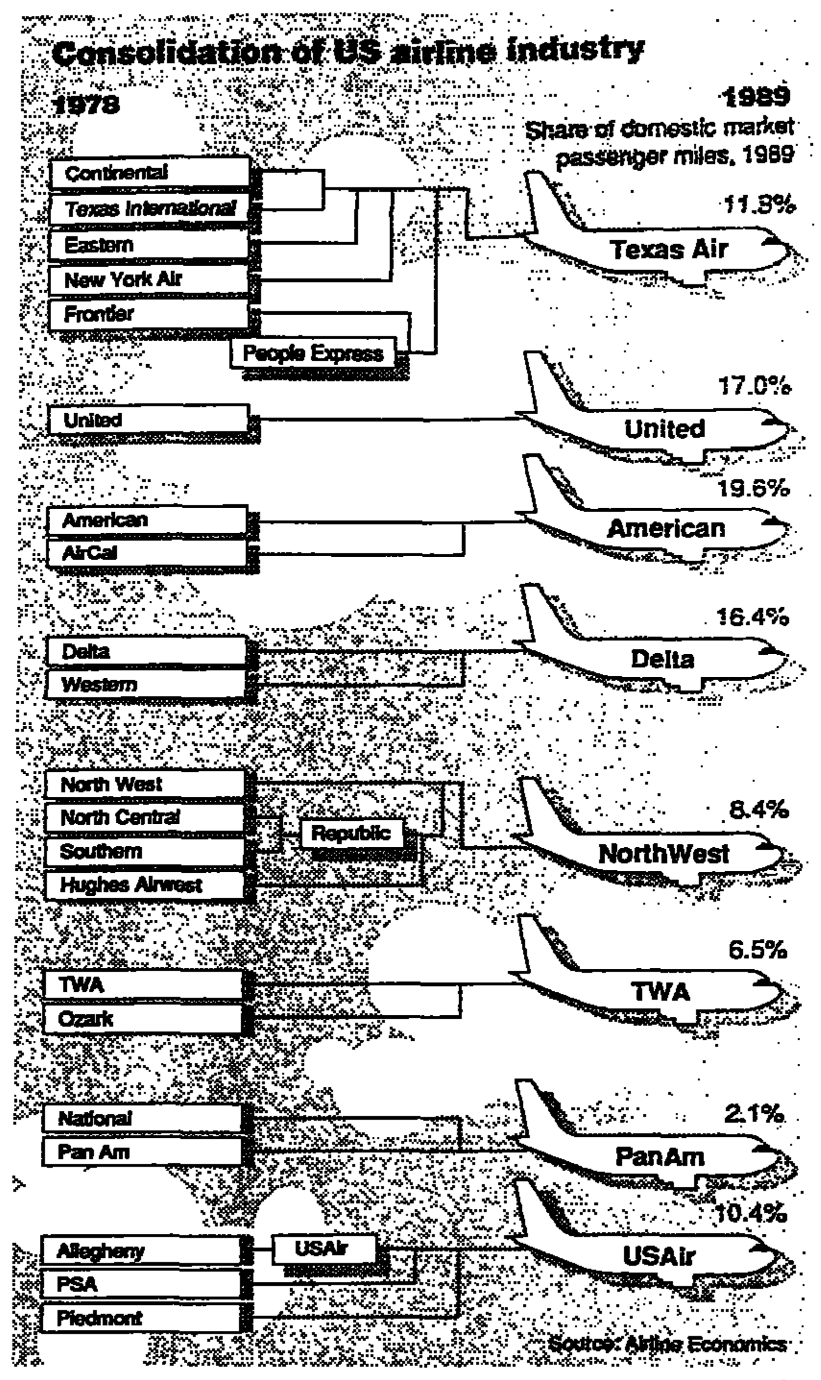
● *Congestion at European airports* and airways is seriously hampering the task of creating a more competitive airline industry in which new entrants, regional carriers and independent airlines have a chance of surviving and prospering alongside the large flag carriers. At the same time the huge investment costs required to improve Europe's inadequate air traffic control system and airport infrastructure will undoubtedly be passed on to the passenger in the form of higher ticket prices. The Association of European Airlines (AEA), grouping 21 European carriers, last week described 1989 as "the bleakest year ever" for flight delays with almost one quarter of all flights in Europe leaving more than 15 minutes late.

● Concentration of the European airline industry, with the likely emergence of five or six big airline groupings, *could further stifle competition.* As industry costs rise rapidly and profits decline, smaller airlines are increasingly worried that they will be squeezed out of the market by the big airline combinations currently being formed through mergers, cross-shareholding agreements and commercial pacts. How these airline groupings will be allowed to develop is becoming an important test for EC competition and air transport policies.

'I fear that EC administrative confusion coupled with the lack of runways and Europe's air traffic control problems will simply create a gridlock situation in Europe'

The quickening trend towards concentration is at the heart of the European airline deregulation debate. Large airlines like British Airways, Lufthansa and Air France are attempting to expand their operations and geographical base in a way that many in Brussels, not least Sir Leon Brittan, the EC's Competition Commissioner, believe could pose a threat to fair competition.

Sir Leon has already issued a formal statement of objection to the plans of Air France to take over UTA and Air Inter, its domestic rivals. He is almost certain to take similar action to try at least to modify the terms of the joint venture deal between BA, KLM Royal Dutch Airlines, and Sabena, Belgium's national carrier.



Source: Airline Economics

Supporters of liberalisation believe that rigorous application of competition rules is an essential complement to de-regulation. They cite the lessons of airline deregulation in the US.

Since the law deregulating the US airline industry came into force in 1978, more than 200 airlines have disappeared or been absorbed by a clutch of giants. Before that year, the five biggest American airlines controlled 63 per cent of passenger business in the US. *But rather than reducing concentration in the American industry,* deregulation has increased it. The five largest airlines now control more than 70 per cent of traffic and dominate key airport hubs.

In this respect, US deregulation failed because it coincided with the Reagan Administration's relaxed approach to anti-trust and merger controls. Established airlines were thus able to exploit inherent strengths to protect their market position and to ensure they were not effectively challenged by new players.

That is why the European Commission, as part of today's Luxembourg package, will be seeking an extension of its existing legal powers to stamp out so-called "predatory practices" like artificially low fares, unfair selling tactics, or attempts by players in a particular market to block new *entrants by multiplying capacity* or increasing flight frequencies.

Others, however, stress different concerns which will also have a bearing on the outcome of this week's negotiations. These include the need to tackle congestion at airports and in the skies; the shortage of take-off and landing slots at busy airports ; and the danger that a fragmented EC airline industry, comprising large numbers of small and medium-sized players, will be weak in the face of the global threat posed by aggressive giant carriers from the US and Asia.

The first serious attempt by the EC to tackle the national airline monopolies bore fruit in December 1987 when member states agreed to loosen strict government-to-government capacity sharing agreements, approved new conditions for cheap fares and, to some extent, eased access to the airline market for new competitors. But Mr Karel van Miert, the EC Transport Commissioner, acknowledged last year that the first package was only "a modest success".

"We are not expecting any substantial enhancement of the liberalisation process to come about at Luxembourg. If anything, we are worried that some of the proposals agreed last December will be watered down," an Irish government official said. Ireland, like the UK, has been one of the staunchest supporters of deregulation.

The liberal bilateral air service agreement between the UK and Ireland has helped foster competition on the Dublin-London route turning it into the best served European route after London-Paris. In three years, competition *has cut fares by 15 per* cent – 40 per cent if inflation is taken into account.

In contrast, to fly economy full fare between London and Nice or London and Rome costs the same as flying to New York and back with tea at the Plaza thrown in. Many airline fares in Europe will continue to defy the law of gravity as long as some governments keep fares artificially high to support their national flag carriers.

The problem is that the EC scheduled air transport business is still essentially organised as a set of national markets. In each member state, the flag carrier is typically in a dominant position and accounts for about half of all departures at the principal hub airports. On most city *"pair" routes, whether within or out*side the Community, the national carrier of one state faces competition only from the national carrier at the other end of the route.

The most encouraging aspect of the package on the table today is the commitment to full liberalisation by the end of 1992. Thus, from January 1 1993, an airline's request to introduce a cheap fare will be blocked only if both governments involved in the route disapprove. At the moment, one refusal is sufficient. Capacity sharing arrangements will disappear completely. Restrictions on the number of airlines which can fly an individual route will disappear. And perhaps most significantly, member states will from July 1992 agree to abide by common airline licensing rules. National licensing systems are now used blatantly to favour national airlines.

However, national pressures, not only from Mediterranean countries but also from countries like France and West Germany anxious to protect their position at the heart of Europe, are now threatening to water down the intermediate liberalisation package which has to be put into place between now and 1993.

One issue, which could seriously disrupt this week's council meeting, is a Spanish demand that more restrictive bilateral capacity-sharing arrangements should persist because of the large share of foreign charter companies operating in its market. This is strongly contested by the UK, Germany and the Netherlands.

The UK view is that the Spanish demand would set an unacceptable precedent. UK officials argue that Spain is simply attempting to win back the ground it lost as a result of a commercial decision a few years ago not to participate heavily in the unrestricted EC charter market.

Spain is also seeking a reciprocal formula to redress what it sees as the disadvantage it suffers as a result of congestion at airports in northern Europe.

France, for its part, appears determined to retain subsidies on routes into regional airports. It regards this as a public service obligation – one of the basic issues of aviation policy. For it is this type of national interest which gives the airline business a special social status, making it necessary to maintain some degree of government control to ensure adequate services are provided. Opponents of this view claim that the industry is just like any other.

"The industry remains vastly over-regulated. It is still perceived everywhere as a utility," says Mr Robert Crandall, chairman of American Airlines, the carrier with the biggest aircraft *fleet in the West* and big ambitions to expand in Europe. "But it is, at least in the US, a privately owned, very entrepreneurial, very competitive business. The system should let airlines fly where they want to and if airlines go broke, let them go broke."

Sir Colin Marshall, BA's deputy chairman and chief executive, has also often stated that one of the principal requirements of deregulation is for all European airlines to be privatised. Only then would Europe establish a level playing field for airline competition.

But even countries such as the UK or the Netherlands, deeply committed to deregulation, are now concerned at the prospect of opening up their own markets to other European states which have traditionally adopted a far more protective approach to their airline industries. "One of our worries is that we have a lot to give but we cannot be as liberal as we would like to be because of a lack of reciprocity from other countries," explained one UK official.

The airlines, for their part, are worried by new regulatory developments which are expected to accompany the European single market. Only last week, Mr Gunter Eser, the director general of the International Air *Transport Association (Iata), said that* the industry was "becoming increasingly concerned at the prospect of a growing bureaucracy in Brussels, which, in the name of liberalisation, will end up over-regulating the European airline industry."

For all these reasons, the airlines are all scrambling to position themselves ahead of the 1993 deadline. "The EC has thought about the notion but not the practical problems of deregulation, like how do you allocate routes," says Mr Crandall. "I fear that EC administrative confusion coupled with the lack of runways and Europe's air traffic control problems will simply create a gridlock situation in Europe."

OBSERVER

Amnesty on the rise

■ One good thing leads to another. After the relaxation in Eastern Europe, the pressures for greater human rights in the third world appear to be growing.

At least that is what the membership figures for Amnesty International suggest. Membership of the British section has risen from around 35,000 in October 1987 to over 82,000 at the most recent count. They cannot all be concerned mainly about political detainees in Czechoslovakia and the Soviet Union, since those are the numbers that are coming down.

The bulk of the new British members are aged between 18 and 25, and although there is some overlap with the green movement, the group does not seem overtly party political.

Worldwide membership has also been expanding rapidly. There are now about 750,000 members altogether, in 44 sections including one recently opened in Tunisia, the only section in the Arab world after the one in Sudan had to close.

Marie Staunton, the outgoing Director of Amnesty, thinks that China and the events in Tiananmen Square had a lot to do with it. Because they were shown on television screens around the globe, there was an upsurge of interest in the rights of individuals often *caught up in a power struggle* through no fault of their own.

New technologies have helped in other ways, too. Amnesty now has a network which allows it quickly to send telexes and faxes on behalf of people it believes to be in immediate danger.

But there are also new problems. There is now a tendency for people to *"disappear"* rather be held as political prisoners without trial. Such cases are much more difficult to follow up, as we know from events in Argentina and Uruguay not long ago.

Staunton herself is moving on after what she describes as three "exhausting" years in the job. A solicitor by background, she will become editor of the Solicitor's Journal, a rather sedate publication founded 134 years ago to provide an information service for the profession.

She will not quite turn it into a radical campaigning journal, but hopes that it can become more of a forum for debate for solicitors and lawyers and take more notice of developments in Europe.

One of her achievements at Amnesty was to make it seem more respectable to *establishment institutions like* the British Foreign Office. In foreign policy discussions nowadays the human rights element is more frequently – and more seriously – taken into account. As indeed it is throughout the European Community. Staunton says that the record is patchy, but it is considerably better than before.

Sir Dennis

■ One new knight whose award was not much noticed in last week's Birthday Honours is Dennis Weatherstone, chairman and chief executive of Morgan Guaranty Trust and J P Morgan since the begin*ning of this year.*

Weatherstone, now 59, has been honoured for services to British commercial and commercial interests in the US. He moved to the US in 1971 and has lived in the same house ever since, while moving steadily up in the Morgan hierarchy. He has also kept some of his old London friends.

*In the 1950s he was the trea*surer of a small group called the Institute of Bankers, junior section. The group invited potentially interesting speakers: for examples, Nigel Lawson, then a journalist, and Peter Walker, then a financier.

"We're thinking of boycotting Romanian coal."

Also among the friends he has kept up with are the now Lord Young of Cable & Wireless fame, and Sir Leon Brittan, vice-President of the European Commission.

"They were not always the obvious commercial people," Weatherstone told us yesterday on the way to the tennis courts. He was late because a number of people had started ringing up to congratulate him.

Bias in hats

■ Our correspondent on the West Coast of the US received a gift in the mail this week from a US semiconductor industry executive. The package contained a baseball cap with "FT puts Japan First" on the front.

This trophy was picked up in Tokyo where the Financial *Times was celebrating* the launch of the Japanese edition of the paper. By coincidence, the gala reception for Japanese businessmen was in the same hotel where US and Japanese semiconductor industry executives were meeting for talks on their prolonged trade dis*pute.*

The US industry contingent left in no doubt as to which side the FT favours. They have the hats to prove it!

Good timing

■ A factor worth considering in the calculations about the date of the next British general election is that never before has Mrs Thatcher delayed to the last minute, the last month or even the last possible year. Assuming that the is still Prime Minister, it is very unlikely that she will delay this time. Not only would it be uncharacteristic: it would leave her open to the charge that she was "frit" or stuck *in a bunker, waiting for some*thing to turn up. And by 1992 she will have been there for 14 years. So if you want to bet, try summer or early autumn 1991 almost regardless of the state of the economy.

Wait for it

■ Some time after 1992, somewhere in Europe, the personnel manager of a small manufacturer interviews three job applicants, one French, one Irish and one Japanese.

After some discussion about their respective skills, the Frenchman goes to work in the canteen because of his cooking expertise, the Irishman, being an experienced bricklayer, *is put to work* repairing a factory wall and the Japanese knows all about supplies, so is sent to the stores.

Later in the day, the personnel manager tours the plant to see how the new workers are getting on. Lunch smells good, the wall is coming on well, but there is no sign of *the Japanese in the stores.*

A group of colleagues go in search of him without success. They are about to give up when they see a newly arrived crate. The lid springs open and the Japanese leaps out shouting: "Supplies!"

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L'esprit européen de Carlton Gardens

On the 50th anniversary of Charles de Gaulle's historic broadcast from London, the Franco-British Council has issued the following declaration, written by Maurice Druon, permanent secretary of the French Academy

Le 18 juin 1940 est une date cardinale dans la mémoire commune de la France et de la Grande-Bretagne, et l'on n'en rappellera jamais trop la longue signification.

Ce jour-là, la France, comme un boxeur atterré par un coup formidable frappé au défaut de sa garde, se demandait, en comptant les battements de son coeur, quand et si elle pourrait se relever. Un homme seul, un général lucide et volontaire, décida de conduire le redressement, et choisit l'Angleterre pour continuer le combat.

Ce jour-là, le Royaume Uni était seul, et nul ne savait comment, avec des forces minces, il pourrait soutenir le choc des gigantesques armadas du IIIème Reich. Un homme d'état, lucide et volontaire, entraîna la Grande-Bretagne à se battre jusqu'à la limite absolue de ses moyens; et il accueillit, sur son territoire menacé, l'homme de France.

Ce qui fut scellé là, entre Churchill et de Gaulle, était beaucoup plus qu'un traité; c'était un exemple pour les siècles.

Jamais les volontaires français qui, mois après mois, rejoignirent de Gaulle, n'ont oublié la fraternité avec laquelle ils furent reçus par le peuple britannique, ni la sollicitude que leur témoigna la famille royale; jamais ils n'oublieront l'image que donnait ce peuple accablé par les bombes et qui luttait, avec *un tranquille* héroïsme collectif, pour le salut du monde.

De même, les Britanniques qui ont l'âge de la mémoire n'ont jamais oublié ces "Free French" qui, ayant abandonné tout ce qui leur était cher, vinrent, par les chemins du risque, partager leurs épreuves et toutes les formes du combat.

L'Histoire ne peut oublier que l'Appel du 18 juin marque le début du rôle de la communication de la voix dans la stratégie. Pendant quatre ans, l'espoir de la France fut accroché à la BBC.

L'Histoire ne peut oublier non plus que c'est de Londres que fut suscitée, rassemblée, organisée la Résistance française, *dans toutes les composantes* qu'elle eut, tous les aspects qu'elle prit, toute l'efficacité dont elle fit preuve.

L'Histoire ne peut oublier enfin que, et Winston Churchill et Charles de Gaulle, en 1943, promirent aux nations en guerre la naissance d'une union européenne.

La victoire fut au bout de ce chemin de douleur et de grandeur, et l'Europe lentement s'édifie.

Aujourd'hui, quand les peuples de l'Europe de l'Est, rejetant une dépendance qui fut la conséquence de cette guerre monstrueuse, se soulèvent pour recouvrer la libre disposition d'eux-mêmes, c'est par le geste de Churchill, son V *devenu universel, qu'ils expri*ment leur volonté, et c'est la devise de la France "Liberté, égalité, fraternité" qui leur sert de mot d'ordre.

Si longue soit la paix dont nos nations ont bénéficié, il nous faut être conscients que l'avenir du monde n'est pas plus assuré aujourd'hui que naguère, et conscients aussi de ce que représentent la Grande-Bretagne et la France lorsque leurs démarches sont accordées.

Avec les populations qu'elles totalisent, la vitalité de leur économie et de leurs technologies, les forces militaires qu'elles se sont créées, la place qu'elles occupent – pour l'une au sein du Commonwealth: 49 Etats, pour l'autre au sein de la Conférence des pays francophones: 49 Etats – avec l'universalité de leurs langues, leur héritage culturel et leur commune conception de la liberté, elles peuvent, lorsqu'elles ajustent leurs politiques et leurs efforts, et cela sans avoir rien a renier de leurs alliances, de leurs traditions ni de leurs intérêts propres, peser d'un poids décisif, non seulement dans l'organisation de l'Europe, mais dans toutes les affaires de la planète.

Et si elles agissent ainsi, rien alors ne pourra se faire ni sans elles, ni contre elles.

June 18 1940 is a red-letter day in the shared past of France and Great Britain, and its historic significance can not be proclaimed too often.

On that day, like a boxer felled by a devastating blow *struck beneath his guard*, France counted her heartbeats and wondered when, indeed if ever, she would be able to get to her feet again. One man alone, a General, clear-thinking and unyielding, decided to lead her recovery, and chose to continue the struggle from Britain.

On that day, the United Kingdom itself stood alone, and no one could tell how, with slender forces, it could withstand the shock of the gigantic armadas of the Third Reich. A statesman, clear-thinking and unyielding, carried Britain with him to fight on to the very end of its resources and it welcomed, on its own threatened territory, the Man of France.

The understanding that was forged then between Churchill and de Gaulle was far more than just a treaty; it was a *model to be handed down for* centuries to come.

Never have the French volunteers who, month by month, joined de Gaulle, forgotten the sense of brotherhood with which they were received by the British people, nor the solicitude shown to them by the Royal Family. Never will they forget the example set by that people, crushed under the weight of bombing yet fighting back with a tranquil, collective heroism for the salvation of the world.

Equally, Britons old enough to remember have never forgotten those "Free French" who, having abandoned everything that was dear to them, came by hazardous routes to share their trials in every form of combat.

History will not forget that L'Appel of June 18 marked the beginning of the role of the *human voice as a strategic* weapon. For four years the hopes of France were tuned into the BBC.

Nor can history forget that it was in London that the French Resistance was given birth, assembled and organised, in all its component parts, in all the aspects it assumed, and in every success that it achieved.

Finally, history will not forget either that it was both Winston Churchill and Charles de Gaulle who, in 1943, promised the warring nations the birth of a European Union.

Victory came at the end of this road of suffering and grandeur, and Europe slowly rebuilt itself.

Today, when the peoples of eastern Europe, casting off the bonds that resulted from that monstrous war, lift themselves up again to regain their free*dom, it is with Churchill's* world-famous 'V-sign' that they express their determination and it is France's motto of "Liberté égalité, fraternité" that is their password.

However long the peace from which our nations have benefited, we must remain aware that the future of the world is no more assured than it was in those dark days of 1940 and we must be equally aware of what Great Britain and France can do when they march in step together.

The one stands at the heart of a Commonwealth of 49 nations, the other at the heart of the Conference of 44 French-speaking nations. With the total of their combined populations, the vitality of their combined economies and technologies, and their military forces, and with the universality of their languages, *their cultural heritage*, and their common concepts of liberty, they can, when they harmonise their policies and their efforts (yet without forswearing their alliances, their traditions, or their own interests) lend a decisive weight, not only to the organisation of Europe, but to all the affairs of this planet. If they so conduct themselves, it will become impossible for anything to be done either without them or against them.

Translated by
Alistair Horne

Charles Leadbeater and **William Dawkins** on steel makers' moves to buy up distribution outlets

Fusions that aim to safeguard the future

The period of convalescence Europe's steel producers have enjoyed for the past three years – replete with buoyant markets and rising profits – is about to come to an end. The leading producers are positioning themselves for what could be a bruising battle over the next few years.

Usinor Sacilor, the French state-owned group which is Europe's largest producer, last week signalled its intention to remain at the forefront of *restructuring with an auda*cious move into British Steel's back yard.

The group plans to spend £11.5m to buy a 20 per cent stake in ASD, Britain's second largest steel stockholder – or wholesaler – with an 8 per cent market share. The deal, which has to be vetted by the European Commission, is no more than a morsel by Usinor Sacilor's voracious standards. But it is part of a growing trend towards vertical integration, with steel makers buying control of downstream distributors and processors.

The traditional nationally-based structure of the industry is showing signs of fraying at the edges. A series of deals across Europe is creating an elaborate network of criss-crossing relationships.

Over the past two years British Steel has built up a limited chain of stockholders on the Continent, including a processing plant just outside Paris to service French car makers.

PUM, France's largest distributor, which is owned by Cockerill-Sambre, Belgium's largest producer, has set up two new finishing plants and sealed some small takeovers. Arbed, the Luxembourg steelmaker, and Cockerill-Sambre of Belgium have both expanded their presence in France through stockholding subsidiaries. Arbed has 14 per cent of the West German stockholder market, while Hoesch and Thyssen of West Germany have both bought British distributors, as well as adding to their domestic network.

Usinor Sacilor is also active in Italy, the market with most independent stockholders, where Ilva, the indigenous producer, has been shoring up its position. Hoogovens, the Dutch producer has made acquisitions in Belgium, France and West Germany since 1986.

The steel makers' rush into downstream activities is far from over. A senior Usinor Sacilor executive says: "We have not yet reached the limit. We are still looking, especially in West Germany."

Steel makers are buying up distribution outlets partly to secure market share and reduce their reliance on their traditional domestic markets. But it is not that simple. The *reshuffling reflects* a diverse set of pressures upon the European Community's 379 companies, with a combined capacity to produce 190m tonnes, about a fifth of world capacity.

The six countries of eastern Europe, excluding the Soviet Union, which make about 60m tonnes of steel a year are searching for hard currency. Even though Usinor Sacilor estimates it would cost $20bn – $25bn to bring the industry up to western standards, it is still worried. Mr Francis Mer, the company's chairman says: "These underdeveloped countries pose a real threat to our industry. There is a definite risk that these countries, in their attempt to earn foreign currency, will flood western markets, unloading vast quantities of steel."

Eastern Europe is not the only threat. Imports are set to rise, particularly from Latin America and South Korea, which has seen Chinese demand for steel dry up. Between 1978 and 1988 the US and EC cut production capacity by 73m tonnes while the developing countries expanded capacity by 76m tonnes, with lower production costs. Closer to home, Turkey increased its capacity from 4.4m tonnes in 1980 to about 9.7m tonnes today. According to the European Commission, world capacity is likely to outstrip demand by about 100m tonnes over the next 10 years.

The EC's production quota regime which ended two years ago left Europe with a smaller industry but populated by producers with different costs. A more open steel market will put the higher-cost producers under pressure, while the single European market should narrow differences in some input costs such as energy.

So competitive pressure will mount. European producers are having to invest heavily to cut costs and produce more sophisticated products. Thyssen is planning to invest DM1bn this year, Usinor Sacilor $1bn, and British Steel plans to invest £500m a year over the next few years, after investment rose 46 per cent last year to £450m.

Such heavy investment rules out a price war. The successful producers will have to move away *from commodity, semi*-finished steels, which trade on their price, towards more sophisticated products made on galvanising lines and towards special coatings. These products command a higher price, in more buoyant parts of the market.

This is where the downstream activities of processing and distribution come in. Increasingly steel stockholders capture added value by tailoring products to their customers needs. The shift by manufacturers towards just-in-time production systems also demands that suppliers work closely with them to deliver to tight schedules and help to develop new products.

Thus distributors, stockholders and processors have begun to occupy an important position in the supply chain rather than merely being an outlet for commodity steel.

Significant though it may be, this is probably only the start of a deeper restructuring which will directly involve the steel majors. The first moves are about to be taken with British Steel's £105m bid for the Trisdorf structural steel's subsidiary of Klöckner Werke of West Germany and Usinor-Sacilor's pursuit of Falck based near Miland.

Senior executives at Usinor Sacilor believe that in the long run there will be room for only six or seven of Europe's 15 big steel companies. It is a theme echoed in the European Commission's recently drafted general objectives for the steel industry, which conclude: "Certain fusions, particularly transnational, will no doubt prove necessary." These fusions will reveal which producers used their convalescence to rest and which to rebuild their strength.

LETTERS

British Telecom and the sword of liberalisation

From Mr Tony Young.

Sir, Hugo Dixon ("Scrutiny all along the line," June 13) concludes that liberalisation of UK telecommunications should be pushed "firmly through to the second stage."

It is true that a competitive environment has spurred the mobile communications industry in the UK to grow at a faster rate than anywhere in Europe except Scandinavia, but that does not make an open and shut case.

If one considers the quality of the basic telecommunications network upon which the vast majority of both residential and business users depend, then Britain is seen to be lagging behind the French example on a number of scores. France Télécom enjoys a non-liberalised regime for the basic fixed link network and has been able to concentrate on improving that network so that it is significantly more advanced, for example, in digitalisation and videotext. Liberalisation is a double-edged sword and, where a key British service industry is concerned, should be used with greater care than hitherto suggested.

It is also important that protagonists in this debate appreciate how the world has moved on since the original liberalisation policies were designed in the early 1980s. Serious telecommunications companies must now have an international presence if they are not to be pushed to the margins of the world market. With an eye to the UK balance of payments deficit, the regulatory regime must be adjusted for the demands of an internationally competitive industry as well as for more parochial concerns.

In this context, it is also abundantly clear that breaking up British Telecom into a series of subsidiaries – into telecommunications minnows – would be the most extreme folly. Nothing would delight Britain's overseas competitors more or do more damage to Britain's future in information technology. It is a regulatory environment that supports British competitiveness internationally that should be fostered by our regulatory agencies, not one that undermines it in the interests, for example, of the American telephone companies now seeking to enter the British market.

Mr Dixon also reports ("Oftel joins probe," June 12) that four (independent?) reports have been commissioned by the Office of Telecommunications (Oftel) into various aspects of the telecommunications industry, confirming that the debate surrounding the review of the duopoly is finally gathering pace. Yet the format of the review remains a mixture of confusion and surprise.

Consider only the most recent development. What status will these reports have? Will the consultants invite submissions? When will their reports be completed? Will they be made public? Will there be an opportunity to comment on their conclusions before irrevocable decisions of great importance are made?

It is surely incumbent upon Oftel, or the Trade and Industry Department, to clarify these and other questions as a matter of urgency.

Tony Young,
General Secretary,
National Communications
Union,
Greystoke House,
150 Brunswick Road, W5

Training: the need for a revolution from below

From Mr Peter Ashby.

Sir, Mark Corney, (Letters, June 13) rather misses the point when he criticises Michael Prowse ("Training is for people," June 11) for claiming that it is "not in the interest of many employers to offer training."

This point draws directly on consultations that Full Employment UK has carried out with unskilled workers. These have convinced us that the more training there is on offer, the more it will be used by employees with no scope of promotion with their current employer, as a means of seek*ing better employment else*where.

Of course, employers collectively would still benefit through all the advantages of having a more highly skilled and mobile workforce. But this does not alter the fact that individual employers might lose some of their best employees who, as a result of training, come to the realisation that they have outgrown their current job.

That is why there is something rather unsatisfactory about Mr Corney's proposal that the way to solve our training problems is through a "massive education programme for employers."

It is self-evident that many employers need to develop more positive attitudes towards training. But the essence of the problem is that those employers who lack commitment to training reflect an indifference that is shared widely throughout society. This will only change when we can alter the way training is perceived within our culture.

It is this concern with cultural change that has convinced us in Full Employment UK that the primary message in the training debate should be geared to individuals, with the whole training system becoming rooted in the philosophy of self-investment.

We are not suggesting that employers should be "let off the hook." In consultation with a number of the new Training and Enterprise Councils, we have developed proposals for exemptible levies on all employers. So employers would, under our plans, invest much more in training. But that is, in many ways, the easy bit of the equation.

*The difficult part is the bat*tle to change popular attitudes, to increase mass expectations towards training, so that more employees go to their employers and ask for training.

Hence our proposal that a new statutory adult entitlement to training should form the centrepiece of the training strategy.

Our main target is not, actually, employers. It is the millions of working men and women who say that they are "not good enough for training," that it is "not for the likes of us." They are the people we have to reach, to "re-educate."

This is surely the most effective way of educating employers – through persuading their employees to raise their sights.

It is a strategy for "revolution from below," far more effective and lasting that any which could be imposed from above.

Peter Ashby
Principal Consultant,
Full Employment UK
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St Matthew Street, SW1

Brussels presence by Law Society could help mortgage services

From Mr Eric H. Dodson.

Sir, Whether the Law Society is able to implement the proposal of its council that the Society should establish a presence in Brussels will, in practice, ultimately depend on the decision of its members. Taking account of the objections set out by Robert Rice ("Case for a presence," June 11) the debate may well be lively.

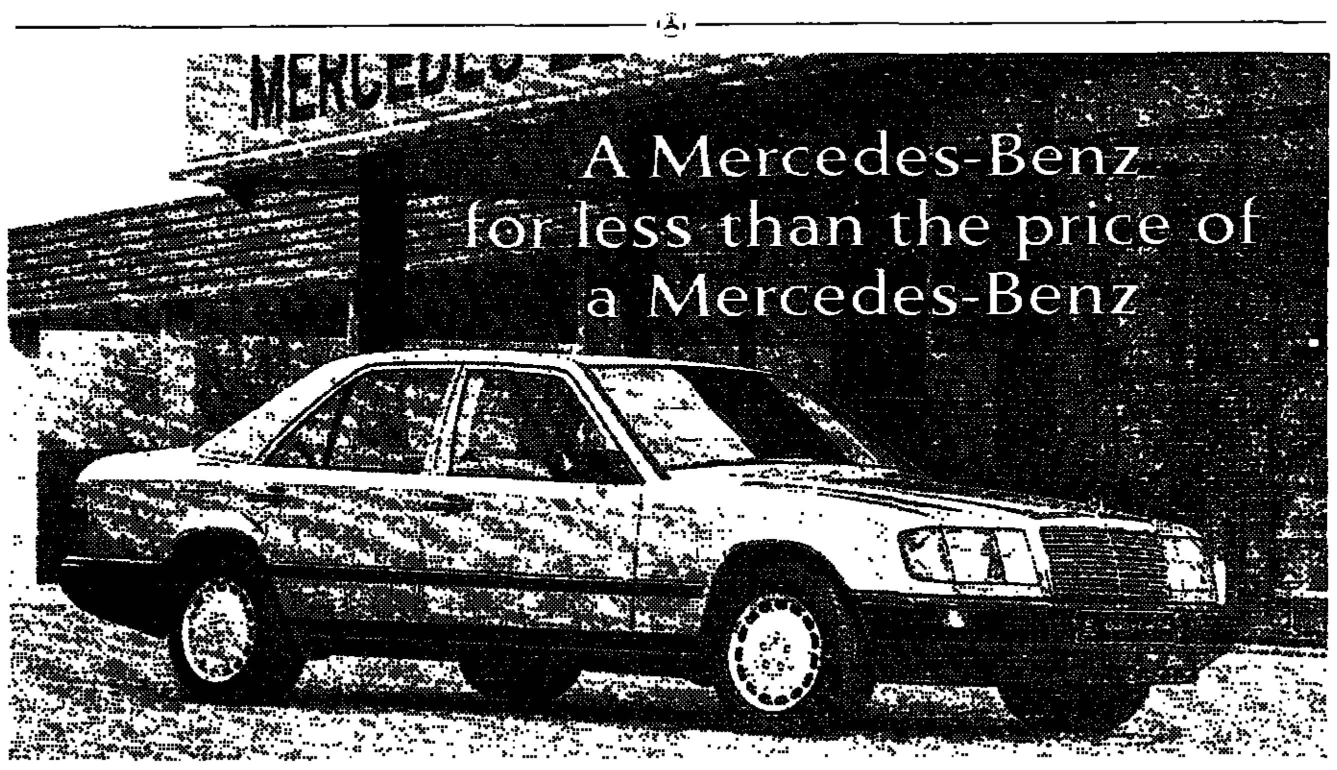
However, assuming that such an office is opened, the Law Society would do a useful service for the smaller firms and their (mainly) personal clients if it were to use that presence to encourage the European Commission to take steps to facilitate the provision of cross-frontier mortgage services.

The Second Banking Directive, with its emphasis on home control and mutual recognition of status, is welcome in its concept but it is doubtful how far this alone will break *down the restrictions* and practices of member states' domestic laws affecting mortgage loans on residential properties.

Significant numbers of UK residents move to other member states. Most of them seek new homes whether in connection with their employment or for holiday purposes. I noticed recently an estimate of over 30,000 such persons every year. At the same time other European Community residents move to the UK.

Of course, property laws are likely to remain within the exclusive jurisdiction of each member state. Nevertheless there needs to be acceptance of the differing techniques of lending (for example, variable interest loans as in the UK) so that, for example, a building society could offer its emigrant members the same facilities which they enjoyed at home.

Eric H. Dodson,
The Knoll,
Ladythorn Crescent,
Bramhall, Cheshire



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Choosing lanes in a two-speed Europe

Philip Stephens outlines fresh efforts to blunt Mrs Thatcher's antipathy for the EC

As Mrs Margaret Thatcher, the British Prime Minister, prepares for the summit of European Community heads of government in Dublin next week, the tense debate that led to last year's political upheavals over her approach to the EC is being rehearsed again within her Cabinet.

Mr John Major, her Chancellor of the Exchequer, and Mr Douglas Hurd, the British Foreign Secretary, have been preparing a new set of proposals designed to ensure that Mrs Thatcher's ingrained antipathy towards European integration does not leave Britain isolated in Dublin.

A year ago, Mr Nigel Lawson, then Chancellor, and Sir Geoffrey Howe, then Foreign Secretary, issued a warning and an ultimatum to Mrs Thatcher. The Prime Minister was told then that Britain faced a grave risk of being left behind in a two-speed Europe. If it wished to be taken seriously in the debate over European economic and monetary union (EMU), it would have to give a firm commitment to take up full membership of the European Monetary System.

From that meeting, which was preceded by a lengthy official minute signed by both ministers, came the conditions Britain set out at last year's Madrid summit for participating in the EMS exchange rate mechanism. From it, too, stemmed Sir Geoffrey's enforced departure from the Foreign Office in July and Mr Lawson's angry resignation from the Cabinet in October.

Mr John Major

Over the past few weeks the senior officials they left behind must have been experiencing a distinct sense of *déjà vu*.

Mr Hurd and Mr Major have had private breakfasts at the Foreign Secretary's London residence and lengthy meetings at 10 Downing Street, the Prime Minister's residence.

The aim has been to nudge Mrs Thatcher sufficiently far in the direction of a commitment to EMU to prevent Britain from being consigned, from the start, to the slow lane in Europe.

In the background, Mr Nicholas Ridley – this year as last – has been trying to pull her in the opposite direction. The Trade and Industry Secretary opposes membership of the ERM as well as any move beyond that towards monetary union.

The circumstances, of course, are different from those of last year.

Mr Hurd and Mr Major are both in stronger positions and yet temperamentally are much less inclined to seek a showdown with Mrs Thatcher. The conventional wisdom within the Government is that she could not sack either without seriously jeopardising her own position, but equally, neither will force her hand.

Nor are they entirely at one on how just how far they should seek to nudge her in the direction of her European partners.

Mrs Thatcher, too, has changed, albeit reluctantly. The original suggestion last year was that she should give a firm pledge at the EC summit to take sterling into the ERM within six months. That was watered down to the commitment enshrined in the now famous Madrid conditions embracing closer convergence of British and European inflation rates and completion of the single market.

Now the Prime Minister has accepted the inevitability of ERM membership within a much tighter timescale, although her colleagues are constantly fearful that she might change her mind. Despite the denials, officials have been searching for a suitable date during the autumn.

She is said also to have been impressed by Mr Hurd's success in bringing the discussions within the Community on political union down to earth.

A positive tone and a few, distinctly modest, proposals of its own have allowed the UK Government to throw at least a temporary bridge between the ambitious rhetoric of its partners and its own innate scepticism.

Mr Douglas Hurd

The substance of Mr Hurd's careful negotiations with Mr Major, however, are focused on what they both regard as the most serious challenge to Britain's place in Europe.

Their starting point is a deep concern that their partners will use the Dublin summit and the subsequent Intergovernmental Conference on EMU in December to accelerate further their timetable for the creation of a single European currency and central bank.

The nightmare within the British Government, according to one senior insider, is that President François Mitterrand of France might pass around a piece of paper committing each leader irrevocably to the eventual replacement of national currencies with a single EC currency. The other 11 heads of state might sign up, with Mrs Thatcher refusing to do so.

It is that fear that has led Mr Major to develop new proposals to signal that, if Mrs Thatcher is not ready to commit itself to the final goal, then she would allow constructive steps in that direction.

So far he has suggested that Government, hitherto committed to only the first phase of the three-stage process outlined in the Delors report, is prepared to move on to the second stage.

Britain will suggest the creation of new institutions to manage monetary policy in the ERM countries and, perhaps, to oversee the development of the European Currency Unit into a widely used parallel currency.

But the Foreign Office is getting the message from Paris and Bonn that full union must been seen from the outset as a certainty rather than a possibility.

One way out being suggested by officials is that the Government could sign up for that final goal but reserve the option of withdrawing later.

The Prime Minister has so far described such a strategy as "dishonest," citing a clear, bipartisan majority in the House of Commons against full monetary union.

Mr Hurd and Mr Major will have to work overtime if they are to square the circle before she flies to Dublin next Sunday.

Group of Seven to discuss aid for Moscow

By **Peter Riddell**, US Editor, in Washington

ASSISTANCE for the Soviet Union's economic reform programme has emerged as an important item on the agenda for the annual summit of leaders of the Group of Seven to be held in Houston, Texas, next month.

There is no agreement yet about how much can be done in view of the internal political and economic uncertainties in the Soviet Union.

The "sherpas," or personal representatives of the leaders (of the US, Japan, West Germany, Britain, France, Italy and Canada), met over the weekend to discuss the agenda and a draft communique, about which there is an unusual degree of uncertainty.

The US supports proposals that the Bonn Government should help to maintain Soviet troops in East Germany for a transitional period and might subsidise housing for them when they return home.

Such West German assistance for the Soviet Union, which might be extended to include trade and lending arrangements as well as food aid, forms part of the nine-point package put forward by the US as reassurance that a unified Germany within Nato will not threaten Moscow's security interests.

Senior US officials are happy to see Bonn take the lead in such assistance for Moscow if it eases the path of unification.

The Houston communique is likely to include a general reference to such German-led assistance, but is unlikely to endorse more detailed proposals at this stage.

Instead, the remit of the Group of 24 western aid donors, which is currently handling aid for Poland and Hungary, may be broadened to examine the scope for helping the Soviet Union.

The Bush Administration is reluctant to go beyond general support for President Gorbachev's reforms. The US Congress will oppose direct financial assistance at least until a Soviet law liberalising emigration has been passed, the Lithuanian crisis has eased, and there is evidence of a move towards a market system.

The US only backed the new European Bank for Reconstruction and Development on the condition that the Soviet Union, although a member, would not be a net borrower.

Apart from western help for the Soviet Union, the main issues at Houston are expected to be the Uruguay Round of trade talks, the environment and international debt.

Pioneer spirit thrives in wild east

Charles Leadbeater on the realities of selling in the Soviet Union

THE two reps from Case Communications emerged into the foyer of their hotel on Sakahlin Island in far eastern Siberia to be greeted by their smiling guide.

"There is only one problem," they said. "There is no hot water."

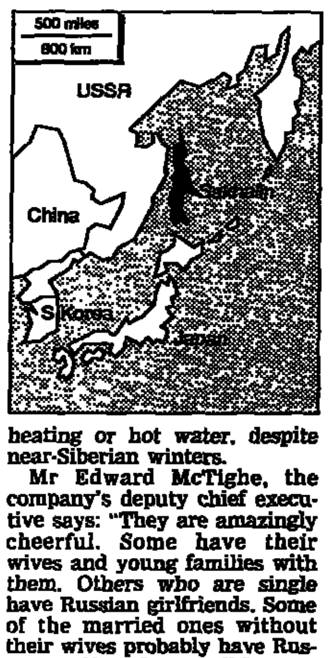
His eyes widened with incredulity. He replied: "You've got *water?*"

Such are the trials of business pioneers opening up the virgin markets of the Soviet Union to capitalism. As western salesman stumble, weary from overnight train journeys in ever more remote parts of the Soviet Union, so the contrasting life-styles and expectations of east and west get thrown into sharper relief.

Mr John Martin, head of east European operations for Imperial Chemical Industries, says: "Selling here used to be just a matter of an annual negotiation with a foreign trade organisation in Moscow. Now we have to get out to sell directly to enterprises. It is a completely different ball game."

Twice a year juggernauts loaded with food, drink and other consumer goods roll into the small town of Nishnekamsk, near Kazan, to sustain a group of 40 British engineers working on a project for Davy McKee, the engineering construction group.

The engineers and their families live in a block of flats which often does not have heating or hot water, despite near-Siberian winters.



Mr Edward McTighe, the company's deputy chief executive says: "They are amazingly cheerful. Some have their wives and young families with them. Others who are single have Russian girlfriends. Some of the married ones without their wives probably have Russian girlfriends as well."

Executives who spend their days toiling against an increasingly chaotic bureaucracy need the sort of support Davy McKee can muster.

Smaller outfits such as the Pig Improvement Company, part of the Dalgety group, rely on the resilience of their staff.

For the past three months, Mr Ian Byatt has been at one of capitalism's furthest outposts, a 3,000-sow pig farm in the village of Peschanoye, 160km south-east of Kiev, in the Ukraine.

Every few weeks a lorry-load of sows arrive from the UK – genetic packages in the form of a pig, as the company calls them – and with the drivers come newspapers and books.

But communicating with the British base is almost impossible. Peschanoye has no international telephone lines, so if there is a problem with one of the genetic packages, Mr Byatt has to set off on a four-hour round trip for a long wait in Kiev to send a telex.

Accommodation is not a problem for Mr Byatt – the collective farm provides him with a three-bedroom house – but it is becoming a headache for others.

It is becoming increasingly difficult for companies to find office space in Moscow, let alone suitable flats for their British executives, according to Mr David Thompson, chairman of Rank Xerox. As salesmen fan out to locations such as Minsk, Magneto Gorsk and Kharkov, the deprivations will become more intense.

"It is quite difficult to recruit people to come here. You have to pay them more to compensate," Mr Thompson says.

Companies also have to recruit the right sort of people. Young high-fliers fresh from the glamour of New York, the style of Paris or the excitement of Rome may not be ideally suited to working in Sverdlovsk or Novosibirsk.

It is still possible for reps to turn up in a town such as Navoi, in Uzbekistan, to be greeted as the first Europeans to visit in living memory. But things are changing.

Mr Geoff Blackburn, chief executive of Courtaulds' central trading operation, says: "People are more relaxed now. They will go out with you for a meal in the evening after a business meeting."

In short, the executive heading for the vast virgin territories of the Soviet Union needs a peculiar mix of qualities.

Increasingly the persistence to deal with bureaucrats will have to be matched by entrepreneurial flair, as the growing economic anarchy makes it more and more like the Wild West.

A close technical knowledge of products will have to be matched by the financial imagination to find a way to get profits out of the country.

Companies in sectors as diverse as chemicals and electronics admit that they take out their profits in the form of animal skins, which they sell on to the Italian shoe industry.

And they will need to cope with the food, which is still Stalinist stodge. The most impertant business tools Mr Nick Applegarth of Case Communications takes with him are a travelling kettle and a large supply of powdered soups.

WORLDWIDE WEATHER

		Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	24	75	Dallas †	F	24	75	Madeira	R	19	66	Prague	F	19	66
Algiers	S	28	82	Dublin	F	18	64	Madrid	F	25	77	Reykjavik	R	10	50
Amsterdam	F	19	66	Dubrovnik	S	23	73	Majorca	S	25	77	Rhodes	S	24	75
Athens	C	27	81	Edinburgh	C	20	68	Malaga	S	30	86	Rio de Janeiro		–	–
Bahrain	S	36	97	Faro	S	21	70	Malta	S	24	75	Rome	S	23	73
Barcelona	F	24	75	Florence	S	26	79	Manchester	F	19	66	Salzburg	S	30	86
Belfast	F	17	63	Frankfurt	S	22	72	Melbourne	F	11	52	S'Francisco †	S	12	54
Belgrade	F	22	72	Geneva	S	24	75	Mexico City		–	–	Santiago		–	–
Berlin	C	15	59	Gibraltar	S	26	79	Miami †	F	26	79	Seoul	S	29	84
Biarritz	R	16	61	Glasgow	F	19	66	Milan	S	24	75	Singapore	S	32	90
Birmingham	F	20	68	Guernsey	R	14	57	Montreal †	C	21	70	Stockholm	C	11	52
Blackpool	S	19	66	Helsinki	R	11	52	Moscow	F	20	68	Strasbourg	S	24	75
Bombay	F	32	90	Hong Kong	R	27	81	Munich	S	30	68	Sydney	C	14	57
Bordeaux	C	17	63	Innsbruck	S	23	73	Nairobi		–	–	Tangier	F	22	72
Boulogne	C	15	59	Inverness	C	14	57	Naples	F	24	75	Tel Aviv	S	37	99
Bristol	F	19	66	Isle of Man	F	15	59	Nassau		–	–	Tenerife	F	24	75
Brussels	F	21	70	Istanbul	F	24	75	Newcastle	C	18	65	Tokyo	C	28	82
Buenos Aires		–	–	Jersey	C	18	64	New Delhi	S	37	99	Toronto †	S	21	70
Budapest	C	21	70	Johannesburg	F	16	61	New York †	S	19	66	Tunis	C	25	77
Cairo	S	37	99	Las Palmas	S	23	73	Nice	S	22	72	Valencia	S	27	81
Cape Town	C	13	55	Leeds	C	20	68	Nicosia	S	24	75	Venice	S	23	73
Cardiff	F	19	66	Lisbon	F	21	70	Oporto	S	18	64	Vienna	S	21	70
Chicago †	R	21	70	Locarno	S	24	75	Oslo	R	11	52	Warsaw	F	19	66
Cologne	S	22	72	London	F	20	68	Paris	S	23	73	Washington †	S	22	72
Copenhagen	F	13	55	Los Angeles †	C	16	61	Peking		–	–	Wellington	F	13	55
Corfu	S	23	73	Luxembourg	F	21	70	Perth	F	16	61	Zurich	S	22	72

C–Cloudy Dr–Drizzle. F–Fair Fg–Fog H–Hail. R–Rain. S–Sunny. Sl–Sleet. Sn–Snow T–Thunder.
† Noon GMT temperatures

Acid test for Collor

Continued from Page 1

sense of reality. My fear is that his Government is too obsessed with unobtainable targets, such as these 360,000 firings, which distract (him) from the real treatment."

Control of the money supply has not been tight enough to prevent inflation reaching 11 per cent this month, a considerable embarrassment to the Government which declared it beaten in April, though still a significant improvement on last year's 1,800 per cent.

President Collor's second line of attack which was to end the indexation of wages that had meant an automatic spiralling of inflation, and introduce free collective bargaining, was dealt a blow when Congress gave him his first defeat at the end of May. His emergency decree to stop regional labour courts awarding high pay rises was struck down as unconstitutional by the Supreme Court a week later. Employees are asking for 160 per cent to compensate for inflation since February, which if awarded would undermine the whole plan.

Chinks are appearing in President Collor's armour. His poll ratings have slipped from 80 per cent in late March to 55 per cent, and it becomes more important that he brings off today's dismissals.

EC weighs action on Romania

By **Judy Dempsey** in Bucharest and **David Buchan** in Brussels

THE ROMANIAN parliament is expected to swear in Mr Ion Iliescu as President today while in Luxembourg European Community foreign ministers will review what action they might take to show displeasure over the Romanian Government's crackdown on protesters last week.

Despite his public thanks to the mobs of miners that terrorised the people of Bucharest last week, Mr Iliescu, the interim President since January, is expected to face little condemnation from Parliament which is dominated by the ruling National Salvation Front.

The Front, which was catapulted into power following the overthrow of the Ceausescu regime, won a landslide victory in May's elections.

But in Bucharest the victory is now seen as a mandate for the Front to sanction the suppression of the small National Liberal and Peasant opposition parties and any independent groups which are critical of the Government.

The mobs, which were pulled out of the capital on Friday as rapidly as they were driven in during the early hours of Thursday, have left behind an atmosphere of intimidation and lies.

The media pours out propaganda similar to the Ceausescu era and the inter-war period. No government official will condemn the violence which left at least five people dead and more than 100 injured.

Helsinki Watch, the independent human rights organisation, said it has no idea what happened to those bystanders who were forcibly dumped into the boots of cars by the miners. The organisation is receiving phone calls from families who have had no news about relatives for several days.

The most obvious option before the EC ministers meeting today is simply to refuse to ratify a trade and economic agreement initialled by Bucharest and the European Commission, on the Community's behalf, on June 8.

One of the 17 European Commissioners, Mr Bruce Millan, last week gave the European Parliament "an absolute assurance" that ratification would not proceed in the present circumstances. But Commission officials later qualified this by saying that the EC executive body regarded non-ratification as one of several options.

The June 8 accord would, in fact, confer no immediate benefits on Bucharest because it merely adds a framework for economic co-operation talks to a trade agreement Romania has had with the EC since 1980.

Next month, ministers from the Group of 24 western aid donors are to meet in Brussels to decide on their earlier proposal to extend assistance to Romania and three other east European countries. Keeping Romania out of the G-24 programme would be of more financial consequence than putting the latest EC agreement on ice.

THE LEX COLUMN

Researching the wrong problem

Scarcely a day goes by without the City's short-termism being blamed for some evil or other. Last week a Department of Trade and Industry report pointed the finger at Britain's under-investment in research and development. This subject is bedevilled by assertions with little evidence to back them. It is striking that British industry has a much lower R & D spend than many of its rivals and that British companies pay out a higher proportion of their earnings in dividends than those in other countries. Showing a causal link is another matter.

The DTI report points out that there is a vast difference between the R & D spending rates of the pharmaceuticals sector and the rest of British industry. But if the City were such a constricting factor on R & D spending, one would expect the sector to be at a discount to the market. In fact, it stands at a premium of more than 50 per cent. Nor has the City proved unwilling to back long term projects such as Eurotunnel; it has even learned to live with the kind of stratospheric rating commanded by Racal Telecom.

Perhaps it is easier for companies to sell "high concept" projects such as wonder drugs and cellular phones to the City than the more mundane business of widget-making. But previous studies suggest that, rather than lacking the means or opportunity to invest, industry lacks the confidence in being able to bring investments to a profitable conclusion. That raises issues not about the markets, but about the standard of British management, the education system and its links with industry.

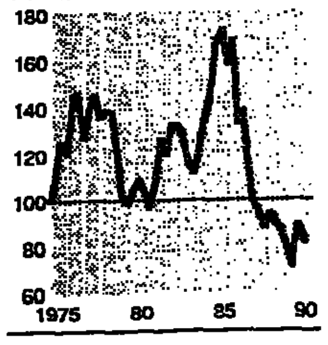
The difficulty in tackling those long-term problems may explain the search for short-term solutions such as changes to the Takeover Code. But comparison with takeover-proof Continental companies like Philips, which spends hugely on fundamental research to little apparent purpose, suggests that the discipline of the markets may safeguard against economic inefficiency in this field as in others.

Insurance broking

Almost everything has changed in London's insurance broking sector since the go-go days of the late 1970s, when directors of Alexander Howden would regale fund managers with silver tankards of Bollinger. The one thing that has not changed is the readiness of some investors to bid up broking shares to multiples way above what they deserve.

Insurance Brokers

FT-Actuaries index relative to the FT-A All-Share Index



Sedgwick is trading on close to 17 times likely 1990 earnings. Even with the slump in Willis Faber's share price, after news of its plans to merge with Corroon & Black, Willis is on nearly 14. Ratings like these assume more than an imminent upturn in the US property/casualty insurance cycle. For the long haul, they imply that brokers are superior creatures, with the cash-generative potential of a Glaxo or a Guinness. Given Sedgwick's record of no dividend increase since 1986, this is not realistic. And whatever one thinks of a Willis/Corroon merger's short-term implications, the deal's underlying message is that the golden age of old-fashioned broking is over: hence their need to merge, after six months of what must have been difficult talks between Willis and its erstwhile US partner, Johnson & Higgins. In the good old days a decade ago, the combination of a weak pound, high interest rates, cowboy tactics and high-margin Lloyd's marine and reinsurance broking used to keep the UK-based brokers' earnings moving ahead even in down-cycles. Most of these factors no longer apply but the market still rates brokers as though they do.

The best way to look at this is to stop pricing Lloyd's brokers by reference to each other, and instead to take as a bench-mark the world's biggest, Marsh & McLennan of the US. By that measure, the London brokers are over-priced. Marsh is currently trading on Wall Street at about 18 times expected 1990 earnings: or just a bit more than Sedgwick. But look at Marsh's record: insurance broking revenues up 11 per cent compound per annum since 1984, in spite of the US insurance downturn, and its excellent employee benefits consulting side up by 28 per cent annually. At Sedgwick, the growth rate has been only a fraction of that: at Willis, broking has done just as well but benefits consulting is still a small part of its empire.

Perhaps the biggest single issue is the brokers' future needs for capital. Europe, in the run-up to 1992, is the obvious challenge. Among US brokers Marsh led the way with a takeover last year of Germany's Gradmann & Holler; Willis Corroon makes no secret of its eagerness to follow suit. But there are snags. First, the asking price of continental brokers is around 25 to 30 times earnings, suggesting a pay-back period of 10 years or so. Then there is capital expenditure, on information technology and so on, where the bills must surely rise steeply over the next decade. A measure of what it costs to stay competitive these days is that in just the first three months of 1990 Marsh & McLennan's spending on fixed assets and acquisitions was $96m, about the same as Willis Faber's pre-tax profits for the whole of 1989. The broking world has turned capital intensive, and it will never be the same again.

US equities

It is not surprising that with the Dow Jones Industrial average closing at a record high last week, US companies are once again beginning to issue a lot more paper. The number of initial public offerings has risen by a third this year and is now running at nearly one a day. Similarly, companies are pigeon-holing their share repurchase programmes and replacing them with common stock offerings. With corporate indebtedness at record levels and an economy teetering on the brink of a recession, it all seems perfectly sensible.

Last week's $825m proposed offering by American Express, one the Dow Jones industrial's former glamour stocks, is a classic example. Over the last five years, it has boosted its earnings per share growth by buying back 60m shares for $1.7bn. However, several of its diversifications, most notably Shearson, have gone badly wrong. Its earnings are falling and its debt has more than doubled since 1985, to $12.4bn, while shareholders' equity has risen by a mere $800m, to $5.1bn. To repair its balance sheet it is issuing 27m shares at a price equivalent to 12 times prospective earnings. American Express shares, which are still nearly 25 per cent lower than three years ago, rose on the news. It is the kind of reaction which could tempt other over-stretched US financial institutions, such as the big banks, to test the water.

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INSIDE

Mexico floats telephone stake

Mexican President Carlos Salinas de Gortari (left) has given the go ahead to the first stage in privatising the country's telephone service, Telefonos de Mexico. Plans include floating a portion of the Government's 56 per cent stake on European and the Japanese stock markets. **Page 23**

Market shrugs off the bears

The bears were out in strength last week — on paper, not in the market. Pessimistic soundings from analysts over hopes and possible effects of UK entry to the Exchange Rate Mechanism of the European Monetary System, were ignored and the market strengthened again last week. It finished *higher despite another* eight-year record high for the Retail Price Index, reports Andrew Marshall in the gilts column. **Page 24**

Engineering an executive role

After years of bemoaning that they were overlooked and undervalued, senior engineers are becoming more important. Recently one recruiting company bagged an engineering director for a pay package of more than £100,000 ($168,000). This week's business column argues that the rising status of senior engineers reflects fundamental changes in how manufacturers sharpen their competitive edge. **Back Page**

Soviet shareholders boost bank

The Moscow Narodny Bank, the Soviet-owned bank which last year celebrated 70 years in London, has received a capital injection from its shareholders. The move, which increases its issued capital to £120m ($201m) from £103m, is the second example of support for the bank from shareholders within a year. Stephen Fidler reports. **Page 23**

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Builders put their European houses in order

Andrew Taylor reports on a trend in acquisitions as 1992 approaches

LAST week's purchase by Phillipp Holzmann, the West German construction company, of a stake in Tilbury, the UK contractors, is the latest in a rash of cross-border acquisitions and joint ventures involving European construction companies.

French and German construction groups have been particularly active as companies jockey for position during the run-up to the single EC market in in 1992.

Holzmann, which paid less than £20m for its 14.05 per cent, last year acquired a 50 per cent stake in Jotsa, a Spanish contractor, 40 per cent of the French construction company, Nord France, and 100 per cent of Hillen & Roosen in the Netherlands.

Many of the recent acquisitions have been in the UK, which has been slower than some of its Continental rivals to seek a foot hold in neighbouring European markets. This partly reflects pressure on British companies to maximise short-term earnings per share growth to maintain stock market *ratings*.

It is difficult to pursue expensive Continental acquisitions as part of a long-term investment strategy when stake building would mostly dilute earnings. British contractors are already under pressure due to the recession in the UK housebuilding and commercial property markets.

Not all *purchases* have gone well. The acquisition 15 months ago by Hochtief, a West German contractor, of a 25 per cent stake in Rush & Tompkins, the British property developer and contractor, ran aground in April when the UK group went into receivership.

A large part of Rush & Tompkins's contracting operations have been sold by the receivers to Ballast Needham, a Dutch contractor acquired by British Aerospace in 1987. Hochtief, *however*, became one of the first Continental companies to win a public road contract in Britain because of its relationship with Rush & Tompkins.

Richard Hopewell, a construction analyst with Swiss Bank – which today publishes a comprehensive review of European construction markets – says the decline in the early 1980s of the Middle East as a major source of work led many European contractors *to concentrate on building* up domestic business. Several of these companies now want to expand into other markets. "It is no coincidence that contractors have reached a stage almost simultaneously when they are ready to start broadening their horizons," says Mr Hopewell.

The openness of the British market, with its wide *share own*ership of many medium to large contractors, makes it easy for Continentals to raid.

This contrasts with the more *closed* contracting communities in France, Germany, the Netherlands and Italy where complex share structures and family ownership make it more difficult to pursue acquisitions.

French and German contractors are used to taking stakes in each other's businesses. Dumez of France, for example, *owns* 53 per cent of GTM Entrepose, also a French company, which in turn owns 37.5 per cent of Dumez.

One of the most complex share *structures according to Swiss* Bank involves RWE of West Germany which owns more than 50 per cent of Hochtief. Hochtief, meanwhile, owns 20 per cent of Holzmann, which in turn owns 24 per cent of Dywidag, a West German contractor.

Italy has high a number of fam*ily-owned or state contractors* which are also difficult to break into.

Voting shares of many Dutch contractors are held in trusts which issue bearer depository receipts to investors entitled to dividends but not to vote. This makes hostile bids very difficult.

French companies, led by Dumez, have been particularly active in buying stakes in other European contractors. Prices paid have often been high in relation to the sales and earnings they are acquiring, say Swiss Bank. Bouygues, France's biggest construction group, recently paid Pta950m (£5.3m) for 70 per cent of a Spanish company with a turnover of Pta1.9bn – a price/sales ratio of 0.7.

Spain has been particularly popular for joint ventures, stake building and acquisitions.

German contractors have also been busy taking strategic stakes. Most have strong balance sheets. Almost every quoted German contractor except Strabag has had a rights issue during the past 12 months. They may, however, be distracted by growth in their domestic market – where construction output rose by 6.5 per cent – and by plans to expand in eastern Europe after German reunification.

British companies faced with pressure to maintain earnings per share are more likely to forge joint ventures than embark on an acquisition trail which, as Hochtief discovered, can be risky as well as profitable.

Cross-border holdings between European contractors

Company	Country	Stake in:	Country	Stake
Bouygues	France	Banco Central*	Spain	4%
		Centro/Trabajos	Spain	85%
		Fercaber	Spain	70%
Dumez	France	Dywidag	Germany	10%
		CFE	Belgium	34%
		McAlpine	UK	5%
Dywidag	Germany	Dumez	France	5%
Fougerolle	France	Maurice Delens	Netherlands	40%
GTM Entrepose	France	Wiemer u Trachte	Germany	50%
SGE	France	Norwest Holst	UK	55%
		G&H Montage	*Germany*	*100%*
Spie Batignolles	France	Davy Corporation	UK	14%
Jean Lefebvre (GTM)	France	Probisa	Spain	14%
Bilfinger & Berger	Germany	Birse Group	UK	15%
Holzmann	Germany	Jotsa	Spain	50%
		Nord France	*France*	*40%*
		Hillen & Roosen	Netherlands	100%
		Tilbury	UK	14%
Dragados	Spain	Ramalho Rosa	Portugal	75%
Trafalgar House	UK	Solresid	France	40%
Huarte	Spain	Empresa Tecnica	Portugal	100%
and Italstrade	Italy			
Italstrade	Italy	Solius	Spain	100%
Impresit	Italy	Hesa-Huarte	Spain	33%
Ballast Nedam	Neth	Rush & Tompkins (parts of)	UK	**
HBG	Neth	CEI	Belgium	100%
		Nuttall	UK	100%
		Kyle Stewart	UK	100%
Decloedt	Belgium	Boskalis	Netherlands	10%

*owns 30% of Dragados (Spain) **bought majority of contracting business from receivers

Source: Swiss Bank Corporation and FT

Flags and other burning issues

By Anthony Harris in Washington

THE US stock market, according to a study which has attracted a good deal of attention here in the last week, is the least volatile of *the major markets.*

This should be no surprise to investors, who ought to be aware of such facts without being told, but it appears to be a surprise to the politicians, who continue to behave as if Wall Street volatility was an urgent problem.

The Administration and Con*gress are spending a vast amount* of time on a problem which is only important in this context: whether the financial futures market should be regulated by the Commodities and Futures Trade Commission in Chicago (CTFC), as at present, or by the Securities and Exchange Commission (SEC).

There is pretty good authority for saying that this is an essentially trivial question. The Federal Reserve, which has rejected an invitation to do the job, is split on the issue; and Mr Alan Greenspan, chairman of the Federal Reserve Board, has admitted that he is only "marginally" in favour of the SEC as regulator.

Nevertheless, the Administration treats the question as if it was of prime importance; and so it is, to some people. It matters to the very able and equally ambitious Mr Richard Breeden, head of the SEC: the way to make progress in Washington is by *winning turf wars.*

A decision in favour of the SEC will bring personal solace to Mr Nicholas Brady, who first proposed unified *control* of the markets two years ago in his report on the 1987 stock market crash. That report argued that the futures market should be under the same rules as the stock market. The advice was simply ignored by the Reagan Administration. That must have stung.

So must the *sceptical* reception of the Brady plan for Third World debt (rightly sceptical, as it has turned out), and the current Washington belief that the Treasury has lost control of economic policy to the Fed.

All this must have increased determination in the White House to win one for Nick Brady, who is Mr Bush's most intimate friend among his colleagues.

Now there is nothing wrong with advancing the career of one of the ablest men in the capital, or the prestige of one of the nicest; but it is an odd use of political time when there are more important things to con*sider. Apart from the budget cri*sis, which is at least under consideration – though totally unproductive consideration, *according to the leaks so far* – there is a generalised financial crisis which is still growing.

The US banking system, which has already had to write off enormous losses on its reckless lending to Latin America in the 1970s, is now seen as quite urgently threatened by equally large losses on property lending. This may look like a market convulsion which Washington can only helplessly watch. In fact, the Government has an active role through two of its agencies: the office of the Comptroller of the Currency, which sets prudential standards for banks, and the trading activities of the Resolution Trust Corporation (RTC), the body charged with managing and realising the assets of bankrupt savings and loan bodies.

The Comptroller, Mr Richard Clarke, is now involved in what looks like a permanent road show, where he attends regional bankers' meetings to deny that *his agents are trying to impose a* squeeze on property credit. It is the market which has changed, he says, we are simply applying *our normal standards. He is prob*ably right, for US bank directors tend to rush to extremes when fashions change.

I experienced this directly when an Atlanta businessman asked me to put him in touch with a British bank. His local bankers had outlawed all foreign exposures after losing money in the Third World and he could not get finance for an export deal with Switzerland.

This time, however, the banks are convinced that they are being pushed in the direction their instincts are already urging them, and the Comptroller might as well save his breath. A clear *statement from the Treasury* might reduce the panic. It would not, however, reduce the fears in the property market of what the RTC is about to do to values.

The RTC is working to a timetable, which involves trying to sell a lot of questionable holdings into an already depressed market. It is now talking of cutting assessed values by more than 20 per cent to find buyers.

Here again, the trivial is promoted above what matters. The timetable is being pursued with great urgency; but it has been imposed for no apparent reason except to convince the public that something is being done.

Yet the US Treasury could readily finance a sensible holding operation, designed to phase out the realisations to secure the best *value for taxpayers, if it were* given the political authority.

It all comes down to leadership, as do most questions in the Bush era. Other countries such as the UK and Japan have been able to mount operations explicitly designed to deflate speculative land markets, and to produce dismay well short of panic.

In the US, nobody seems willing to say that markets can get out of hand. Result: a squeeze with no explicit aims produces generalised dread. This does matter.

Construction accounts for about 8 per cent of GNP. The housing market is already demographically weak *(a fact at last* admitted in a report from the property industry), the commercial market is over-supplied, and quite a sharp contraction is inevitable. If uncertainty turns this into an industry depression, the *direct and indirect impact* (through consumer durables) could depress the economy.

As it is, the downturn in construction and car sales is enough to offset the 1½ per cent which export growth promises to contribute to GDP this year. But the Government has nothing to say. In a city of evasive opportunism, only the Fed conveys a sense of steady purpose; *small* wonder that Mr Greenspan's clout seems to grow heavier each day, even when he does nothing perceivable to the naked eye.

Meanwhile, the top item on the political agenda is the most disgraceful triviality of them all – the *flag amendment*. The Supreme Court has judged that the Constitution protects even those who insult its visible symbol, the Stars and Stripes. This has been seized by the White House as an opportunity. It proposes that the Constitution must be changed. Dr Johnson had the only adequate comment. Patriotism is the last refuge of scoundrels.

Economics notebook: US/Japan public works row

Tokyo defends right to silence

WITHIN days of the publication of the *interim* report on the US-Japan Strategic Impediments Initiative (SII) last April, officials in Japan's Ministry of Finance began arguing that a long-term commitment on public works spending, such as the one demanded of Japan in the *report, was out of the question.*

Such a reaction was entirely predictable from the power conscious and conservative gnomes of Kasumigaseki.

How dare anyone *try to* usurp their right to adjust the use of such a sensitive economic lever from year to year? How preposterous to expect them to set public works spending targets for a nine or 10-year period?

In reality, as anyone who *has spent much time* in Japan knows, it is not a bad idea. Much of Japan's infrastructure – including the Ministry of Finance's own building – is still of Third World quality. Even that which is fairly modern, such as Tokyo's Narita airport, has become totally inadequate to the country's needs.

Nevertheless, if the gnomes had their way, as they did for the first half of the 1980s, little would *be done* to improve it.

Public works spending as a percentage of gross national product slipped as low as 3 per cent in the years from the late 1970s to 1986. It jumped to about 6 per cent in 1987 following intense US pressure on the Japanese Government to stimulate the economy and in the current year is expected to be about 6.3 per cent.

Yet the US started to get aggressive again last summer about Japan's relatively low public works spending when it discovered that not only the country's highly-competitive private sector had a surplus, but so did the public sector.

This was seen as an outrageous state of affairs, reflecting an excessive Japanese ten*dency to save and a still under*developed will to spend. Demands were issued for an immediate boost in public works spending, but were soon muted.

Japanese officials pointed out that the economy was already operating at full stretch, and so any stimulus from the public sector at that time would be dangerously inflationary.

But US officials remained *unhappy and so returned to* the theme in the SII talks.

They managed to get a general commitment from the Japanese in the interim report to increase public spending "relative to the size of its economy" over the medium term.

Subsequently, the US has made its demand more precise. They are apparently seeking a rise in the annual public works spending rate to 9 or 10 per cent of GNP within three to five years, and maintainance of that rate thereafter.

Ministry of Finance officials fumbled around for a few weeks, *not knowing quite* how to neutralise this wholly unwelcome attack on their fiscal prerogatives.

Then, suddenly in May, a *deus ex machina* appeared in the form a report from the International Monetary Fund. It suggested that, in view of the huge future capital needs of eastern Europe, Japan's much criticised current account surplus was perhaps a good thing *after all.*

To say that Japanese government and business leaders were thrilled by this report would be an understatement. Their embrace has been so enthusiastic that some diplomats in Tokyo are beginning to worry that Japan's commit*ment to reducing its bloated* surpluses will be forgotten and rows with trade partners will worsen.

The fact that the UK and *other European governments* have supported the IMF view, at least to the extent of saying that this is hardly the time to be discouraging savings anywhere, is not going to make things any easier for Japanese moderates.

Meanwhile, Japan's economy has remained more buoyant than some expected in the aftermath of the country's stock market slump in the first quarter; thus, the appropriate*ness of an increase now in pub*lic works spending is as much a question as it was a year ago.

Certainly, factors that would be aggravated by a boost in construction activity, such as the supply of labour and building materials, are among those from which inflation warning bells are being heard these days.

In any event, as the final round of SII talks next week in Tokyo approaches, Japanese officials have become much more outspoken in their criticism of the US demand; even to the point of questioning their US counterparts' understanding of basic economics.

"They are all lawyers or monetarists, they refuse to take account of the cycle," one complained last week.

More seriously, they point out that merely to maintain the current rate of public works spending, given a roughly 4.7 per cent rise in nominal GNP, will require a similar growth rate in public works budgets.

To then raise the rate to nine or 10 per cent over three to five years would require a further annual rise of 4 or 5 per cent, which would be enough to destabilise the economy.

Of course, some in Tokyo think that is what the US has *in mind.*

Ian Rodger

THIS WEEK

THIS is a heavy week for statistics in Britain and the *US* but with few interesting figures being released elsewhere.

In Britain, the markets' attention will focus on Friday's trade and current account figures for May. Last week, the Government announced that last year's current account deficit was almost £2bn ($3.3bn) less than the £20.9bn previously estimated and also revised down this year's first quarter deficit to £4.74bn from £5.47bn previously.

The changes resulted from stronger than expected invisible exports and these will also *be reflected* on Friday in the monthly visible trade and current account figures for the first five months of this year. However, the consensus of ana*lysts' forecasts compiled by* MMS International, the financial research company, suggests that the May deficits on trade and current account will still be substantial, at £1.6bn and £1.4bn respectively.

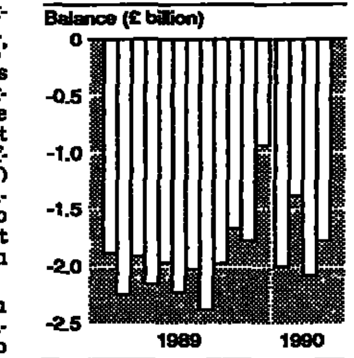
Today's latest UK industrial production figures for April are expected to show output stagnating while unit labour costs for April, also out today, could to show an annual growth rate of *almost 8 per cent.*

Detailed first quarter gross domestic product figures will be released in Britain on Friday, the day after the US publishes revised first quarter GNP data. Canada and Japan are also due to publish GDP and GNP data for the first quarter. Together these should present a picture of generally sluggish growth in the Anglo-Saxon economies, offset by a stronger *performance* in Japan.

Statistics and events (with MMS consensus figures in brackets) include:

Today: UK, output of the production and manufacturing industries for April (flat), unit labour costs for April (up 7.8 per cent annually), public sector borrowing requirement for May (£750m).

UK visible trade



Tomorrow: US, May housing starts (1.22m). Switzerland, May wholesale price index, unemployment.

Wednesday: UK, Money supply figures for May (M0 up 0.4 per cent, M4 up 0.9 per cent, bank and building society lending £5.5bn). France, May trade balance (FFr4.4bn deficit). Canada, first quarter GDP (up 0.8 per cent at a seasonally adjusted annual rate), first quarter current *account*(minus C$5bn). US, Federal Reserve publishes latest "tan book."

Thursday: US, final first quarter GNP (up 1.3 per cent), final first quarter GNP deflator (5.7 per cent), first quarter after-tax profits, M1, M2 and M3 for week ended June 11, *Federal Reserve Board Chair*man Alan Greenspan testifies on credit availability to Senate Banking Committee. Canada, April retail sales (down 0.7 per cent). France, April industrial production (up 0.2 per cent). Japan, April personal income and consumption.

Friday: UK, May visible trade (£1.6bn deficit) and current account (minus £1.4bn), first quarter average GDP (up *0.4 per cent), May building* society commitments (£3.5bn). US, May durable goods orders (up 2 per cent), May personal income (up 0.4 per cent), May personal consumption expenditure (up 0.2 per cent), May bank credit.

CNT

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INTERNATIONAL CAPITAL MARKETS

INTERNATIONAL BANK LENDING

CS Holding raises $1.5bn to restructure

CS HOLDING, the Swiss financial holding company whose subsidiaries include Credit Suisse and CS First Boston, is raising $1.5bn through a group of international banks.

The loan, being arranged through Credit Suisse First Boston, will carry a 364-day maturity and is now in syndication. Lenders will have an option to extend the facility under an "evergreen clause." It will be available for drawing for about six months and, if used, will be drawn as a term loan.

Further details are vague but the financing is said to be linked to a proposed restructuring of the CS Holding group associated with its acquisition of Bank Leu, Clariden Bank and Bank Hofmann.

The maturity of less than a year means the financing will require a smaller capital allocation among lending banks. The question of whether CS Holding is a bank or not – a subject currently the subject of a court case – is also relevant to the allocation needed.

Noranda of Canada and Trelleborg of Sweden are raising an $850m medium-term loan for their jointly-owned Canadian company, Trellnor. The loan, carrying a seven-year maturity, will refinance facilities arranged for their acquisition last September of Falconbridge.

The loan, underwritten by a group of 13 banks, is being arranged by Royal Bank of Canada and Swiss Bank Corporation. It is split in half, one guaranteed by Noranda and the other by Trelleborg. Banks will be able to participate in either tranche or both.

The loan, which starts amortising after two years, carries an interest margin over London interbank offered rates of 40 basis points for the first three years, rising to 45 basis points for the next two years and 50 basis points (½ percentage point) for the remainder.

Chase Investment Bank has launched into syndication a financing for Ethiopian Airlines to buy five Boeing 757s and refinance existing Boeing 767s.

The $306.6m financing is split into senior debt totalling $227.9m and $78.7m of subordinated debt. The subordinated paper is being placed with General Electric Credit Corporation and will not be syndicated.

The senior loans, underwritten by Chase, ABN, National Westminster, and Mitsubishi Corporation carry a final maturity in the year 2005 and an interest margin of 75 basis points. There is a 25 basis point commitment fee.

The UK furnishings and design group Laura Ashley has successfully completed a refinancing totalling $115m with a group of international banks. Loans signed last week totalled $75m and $37m, with the balance being made up by smaller facilities outside the UK.

However, apart from the previously announced fact that the new arrangements would involve secured financing, other details were not available.

In the sterling commercial paper market, Westinghouse Credit Corporation has established a £250m programme to fund the business activities of its international affiliate, Westinghouse International Capital.

Westinghouse Credit is the largest finance company in the US providing finance solely to business. The funds will be used to provide corporate and real estate financing in the United Kingdom.

The size of the programme, arranged by Barclays de Zoete Wedd with NatWest Capital Markets also acting as a dealer, reflects the group's commitment to and confidence in the business finance market in the UK, according to an official.

Stephen Fidler

EUROMARKET TURNOVER ($m)

Primary Market

	Straights	Conv	FRN	Other
US$	944.0	89.6	50.0	13,038.7
Prev	761.8	0.0	1,080.0	14,241.1
Other	1,524.6	0.0	88.1	5,592.2
Prev	2,016.9	0.0	262.6	3,724.7

Secondary Market

	Straights	Conv	FRN	Other
US$	20,007.5	704.3	6,823.7	6,451.8
Prev	14,753.0	797.4	6,200.5	6,300.5
Other	20,231.6	1,040.6	4,484.5	31,597.2
Prev	19,499.4	926.2	3,994.6	31,015.1

	Cedel	Euroclear	Total
US$	18,734.4	29,375.2	48,109.6
Prev	16,703.6	27,430.7	44,134.3
Other	25,965.1	38,593.7	64,558.8
Prev	27,375.9	34,063.6	61,439.5

Week to June 14 1990

Source: AIBD

INTERNATIONAL BONDS

Sweden offers investors a liquid high-gaining sector

SWEDISH bonds are offering foreign investors the "sale of the decade," according to Mr Christer Käck, manager of bonds and moneymarket instruments at Skandia Insurance Company, one of the biggest institutional investors in the country. The yields on SKr300bn of government bonds are among the highest in Europe, offering overseas investors a high-gaining sector.

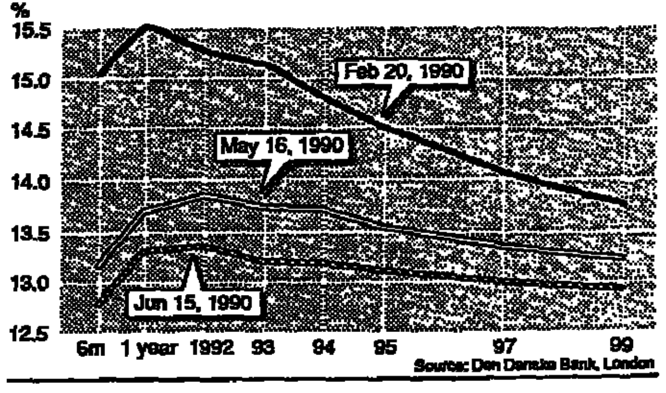
But, after an initial spurt that followed the removal of exchange controls a year ago, foreign money fights shy of the Swedish market. The problem is that the first entrepreneurs who ventured into the market a year ago – mainly the Germans and Danes – saw the value of their initial bond purchases plummet as Swedish long-term interest rates rose sharply – by 2¼ per cent in several months – and the currency weakened. These investors remain wary of becoming involved again.

However, the last few months have seen a return of demand for Swedish bonds as yields have remained high and interest rates have come down slightly. The yield on 10-year Swedish government paper is now 13 per cent. Yields could prove even more attractive if the Swedish Government wins its fight against inflation.

Lifting exchange controls sparked overseas demand for Swedish bonds, but the removal of the turnover tax on interest rate instruments in April gave another fillip to the bond market. Much bond – and equity – activity moved to Copenhagen and London in a bid to avoid the turnover tax which was imposed at the beginning of last year. However, since the tax chased much business offshore, it offered little real revenue for the Government and was repealed on bonds this year and halved on equities.

Turnover on the Swedish bond market has picked up from the SKr5bn a day under the tax regime to some SKr10bn but activity is unlikely to return to 1987 levels of SKr40bn.

Swedish Government Bond Yields



Source: Den Danske Bank, London

The Eurokrona sector remained the one tax-free area for foreign investment during the reign of the turnover tax. After the end of exchange controls there was a rush of new issue activity which saturated the market. Banks have tried to impose some discipline on the market.

"We hope the issuers will be more restrained," says Mr Lars Gustafsson, vice president at Skandinaviska Enskilda Banken, "there were too many issues from the start and the investor base was just not there for them." The Eurokrona market was closed in October last year and SE Banken reopened it last month with an issue of bonds for Swedish Export Kredit. This met slow demand.

Another area of interest for retail clients is the Swedish mortgage bond sector. Mortgage institutions have already surpassed the Government in debt borrowings and look set to continue issuing high-yielding paper as they are forced to refinance maturing bonds. When the mortgage institutions first issued paper 15 to 20 years ago, placement rules in Sweden forced banks to buy certain amounts of the bonds. These are now maturing and the mortgage institutions are looking to refinance long-term loans to householders.

Swedish investors are more interested in buying equity than bonds, but a far-reaching tax reform next year and a large-scale marketing effort by banks and mortgage institutions could attract more interest in fixed income instruments.

The Swedish turnover tax may have altered investors' methods of trading. Mr Anders Kvist, head of treasury and trading at Gotabank, believes several scandals surrounding futures in the mid-1980s as well as the turnover tax have heightened risk awareness and trading activity will never be what it was several years ago. "The inclination to trade is now much weaker and far fewer accounts are involved," he says, "decisions must be taken at a much more senior level."

The most actively traded derivatives contract is an interbank market on the 5-year 202 benchmark Government bond. This over-the-counter product trades around 2,000 lots a day, but it could soon be overtaken by a notional 7-year bond futures contract which the banks have asked the Swedish options market, OM, to clear for them.

The futures product has got off to a slow start, but it is expected to become the favoured product when the 202 bond approaches maturity in the next couple of years.

OM will also clear a six-month Treasury bill futures contract due to start over-the-counter trading in September.

Deborah Hargreaves

NEW INTERNATIONAL BOND ISSUES

Borrowers	Amount m.	Maturity	Av. life years	Coupon %	Price	Book runner	Offer yield %
US DOLLARS							
Volvo Group Finance(a)◆	118	1991/2000	1/10	8.96	100	Merrill Lynch Int.	8.960
Student Loan Mkt. Ass.‡◆	600	1990	(e)	30bp	100	(e)	-
Banco di Sicilia(London)(i)‡◆	100	2000	7½/10	(i)	100	IBJ Int.	-
General Elec. Cap. Corp.◆	250	1993	3	9	101.45	SBC	8.433
Best Ltd.(j)‡◆	111.3	1993	3	25bp	100.10	Sumitomo Trust Int.	-
Browning-Ferris Ind.(k)§◆	250	2005	15	6¾	100	CSFB	6.864
Sunbelt Enterprises(q)§◆	*100*	*2002*	*12*	*11/13.54*	*94.9886*	*Citicorp Inv.Bank*	*11.79/14.43*
CANADIAN DOLLARS							
Japan Development Bank◆	150	1995	5	12⅛	101.55	IBJ Int.	11.698
GECC Canada◆	100	1995	5	12¼	101.67	Merrill Lynch Int.	11.789
Credit Agricole◆	100	1993	3	12⅝	101⅝	IBJ Int.	11.949
AUSTRALIAN DOLLARS							
New Sth Wales Treasury(p)◆	*100*	*2006*	*15.83*	*Zero*	*14⅜*	*Hambros Bank*	*13.035*
Deutsche Bank Finance◆	50	2000	10	6	60	Daiwa Europe	13.528
D-MARKS							
Bank of Greece(d)‡◆	300	1998	8	35bp	100	Dresdner Bank	-
World Bank(g)◆	200	1992/2000	2/10	9	99½	Commerzbank	9.078
Kyushu Leasing★★‡◆	50	1994	4¼	(r)	100	WestLB	-
Eurofima(s)◆	200	1992/2000	2/10	9	100⅜	J.P. Morgan	8.942
SWISS FRANCS							
World Bank◆	200	2000	-	7⅛	102	Credit Suisse	6.842
Johnson & Johnson★★◆	150	1994	-	7	101⅝	UBS	6.525
Province of Manitoba◆	200	2000	-	7¼	102	UBS	6.966
Skand. Enskilda Banken◆	150	1997	-	7⅜	101¾	Credit Suisse	7.050
Meisei Industrial Co.★★◆	50	1995	-	7¾	100½	Handelsbank NatWest	7.626
General Motors Corp.★★◆	*100*	*1994*	*-*	*7¼*	*101¾*	*Credit Suisse*	*8.736*
American Health Prop.(h)§	50	2000	-	(8½)	(h)	S.G. Warburg Soditic	★
STERLING							
Tesco Capital(o)§◆	200	2005	15.08	9	100	UBS Phillips & Drew	9.201
ECUs							
Electric Power Dev. Co.◆	*100*	*1995*	*5*	*10½*	*101⅝*	*IBJ Int.*	*10.071*
Credit Local de France(b)◆	*50*	*1995*	*5*	*(b)*	*100*	*Societe Generale*	*-*
Caisse Nat.des Autoroutes◆	225	1995	5	10½	101¾	Credit Lyonnais	10.039
Postipankki(m)★★‡◆	60	1993	3	-35bp	100.20	Postipankki	-
FRENCH FRANCS							
Schneider SA(n)§◆	800	2000	10	6½	FFr1300	Banque Paribas	-
LIRE							
E.I. Dupont de Nemours◆	125bn	1994	4	12⅜	101.60	Credito Italiano	11.850
PESETAS							
Eurofima◆	10bn	1995	5	13¾	100⅞	B. Espanol de Credito	13.498
LUXEMBOURG FRANCS							
Saab-Scania Int. Fin.★★◆	300	1995	5	9⅞	102	BIL	9.358
Bqe Indosuez-Paris(t)★★◆	*300*	*1996*	*6*	*9¾*	*102*	*Banque Indosuez*	*9.300*
CCF-Paris★★◆	600	1994	3.92	9¾	101.90	Kredietbank Int.	9.142
Banque Worms★★◆	300	1997	7	Zero	53.70	Kredietbank Int.	9.289
FINNISH MARKKA							
Outokumpu Finance◆	200	1993	3	13½	101⅜	Postipankki	12.918
YEN							
Minebea Co.(c)‡◆	*23bn*	*1995*	*5*	*-40bp*	*100.10*	*Nomura Int.*	*-*
Metropolitan Est.& Prop.(f)‡◆	10bn	1995	5	25bp	100.10	Daiwa Europe	-
EIB(l)◆	*20bn*	2000	10	6⅝	100⅛	*Nomura Int.*	6.573

★★Private placement. ‡Floating rate notes. §Convertible. ◆Final terms. a) Fungible with existing $150m bond. $18m priced at 100.02. b) Launched in two tranches: one with zero coupon and one paying 4¼%. Redemption linked to DAX stock index. c) Coupon pays 40bp under Japanese long-term prime rate. d) Coupon pays 35bp over 6-month Libor. Call in years 5, 6, and 7 at 100. Put option in fifth year. e) Global issue. 30bp over bond equivalent yield of 91-day T-Bill auction rate. Maturity Dec. 1990. f) Coupon pays 25bp over 3-month Libor first two coupons, then over 6-month Libor. g) Call between 1992 and 1995 at par. 2m warrants launched separately entitling holder to buy a separate series of 9% 10-year(non-callable) bonds at 100¼. Warrants can be exercised on coupon dates between 1992 and 1995 at exercise price of DM4.10. 50 warrants per DM5000. h) Dual-currency convertible. If not converted repayment in US$ at indicated $5000 per SFr5000. i) 50bp over 6-month Libor first five years, then ⅝% thereafter. Call after five years at 100. j) 25bp over 6-month Libor. Secured by dual-currency bonds. k) Additional $140m launched in US under rule 144a. Call at 103 from July 1993 declining 1% p.a. to 100. Conversion price $52½. l) Fungible with Y40bn bond launched in Feb. m) 35bp under 3-month Libor. Put on each interest payment date at par outside Finland. n) FFr2.6bn total issued of which FFr800m aimed at international investors. Of FFr1300 issue price: FFr1150 for bond and FFr150 for attached warrant. Unused warrants redeemed by Schneider at maturity at FFr150. Warrant exercise period Sept.1990-July 1993. o) Call at par from Aug.1995. Conversion price 259p. p) Fungible with A$350m issue. Non-callable. q) Coupon first three years 11%. 13.54% (both semi-annual) thereafter. Convertible into ADRs of Tolmex which with Sunbelt is subsidiary of Cemex(Mexico). r) First coupon average 2-month and 3-month Libor then 6-month Libor flat. s) Call at par each year from 1992. t) Fungible issue. Note: Yields are calculated on AIBD basis.

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Mexico to offer 20% of Telmex

By Richard Johns in Mexico City

THE MEXICAN Government is offering a 20.4 per cent holding in Telefonos de Mexico (Telmex) as part of a privatisation exercise aimed at drawing in a foreign telephone utility as a partner.

With the company's current market valuation the equivalent of about $7bn, such a stake would cost $1.4bn. However, the Government - which owns 56 per cent of Telmex - is undertaking a complex capital restructuring of the company to enable the successful bidding consortium to gain effective control at a diluted price.

Following an extraordinary meeting of shareholders held on Friday, as an initial step towards disinvestiture it will dispose of 5 per cent. One and half limited (non-voting), so-called L-shares will also be issued *to existing shareholders* for every one held. Telmex shares are traded on the Nasdaq over-the-counter market in the US in the form of American depository receipts and as much as 25 per cent of the company is already under foreign ownership.

Telmex has been a strong performer on the Bolsa Mexicana de Valores (BMV) since the company began a reshape just over a year ago.

The Government is seeking to sell the 20.4 per cent holding to a controlling group, including a foreign partner, able to provide technology to upgrade and expand the country's telecommunications system. It is looking for an investment in the business of as much as $10bn over the next 10 years. The foreign group is expected to be permitted a maximum 49 per cent share in the consortium, and may have its voting rights to the Telmex shares restricted by a trust mechanism.

Acciones y Valores, a brokerage house, and the Desc Group holding company have been identified as Mexican interests building up substantial shareholdings in Telmex.

Foreign telecommunications companies known to have been involved in talks with potential Mexican partners are Telefónica of Spain, NTT of Japan, Bellsouth and Southwestern Bell of the US, and British Telecom. However, BT is understood not to be pursuing the idea actively.

Decision reached on division of Conycon

By Peter Bruce in Madrid

THE LENGTHY break-up of the marriages and business empire of two of Spain's most successful modern entrepreneurs, the cousins Alberto Cortina and Alberto Alcocer, from their wives, Alicia and Esther Koplowitz, took a decisive step forward this weekend with the parties agreeing on a division of the industrial and financial holdings of the group they created, Construcciones y Contratas (Conycon).

Under the deal, the two estranged husbands are to take over control of Conycon's 30 per cent stake in the successful medium sized commercial bank, Banco Zaragozano, 10 per cent in Cofir, the Spanish investment arm of Mr Carlo de Benedetti, 5 per cent of Canal Plus, a new satellite television channel, and 10 per cent of Estructura, a small business publishing group.

The agreement leaves the two sisters in full control of Grucycsa, the Conycon group's *holding* company, which owns the Construcciones y Contratas construction company, the Portland Valderrivas cement group, which also owns the giant new Torre Picasso office block in Madrid, and the building and municipal services group, Focsa.

The agreement also covers the division of huge rural estates and allows the two Albertos to continue running their share of the Conycon spoils from their luxury offices *at the top of the Torre Picasso.* It is assumed that the empire will one day unite again when it passes to the children of both marriages.

Moscow Narodny Bank receives capital injection

By Stephen Fidler, Euromarkets Correspondent

THE Moscow Narodny Bank, the Soviet-owned bank which last year celebrated 70 years in London, has received a capital injection from its shareholders.

The move, which increases its issued capital to £120m ($200m) from £103m, is the second example of support from shareholders within a year.

According to the bank's annual report, Moscow Narodny transferred £49.3m of problem sovereign loans to an unspecified shareholder, thereby freeing £27.1m of provisions previously made. A further £15.9m of provisions *would have been required last* year under the new Bank of England matrix.

The bank's shares are held by a variety of Soviet institutions. Each shareholder other than Eurobank in Paris renounced its subscription rights in favour of the State Bank of the Soviet Union, the Soviet central bank. State Bank and Vneshekonombank, the Bank for Foreign Economic Affairs, thus now own between them more than 50 per cent of Moscow Narodny.

Mr Bill Newman, an assistant general manager of the bank, said the bank was well poised to take advantage of an opening up of the east European markets. He said the bank had suffered some withdrawal of credit lines by some small creditors arising out of publicity about delays in payments to some Soviet trade creditors, but this had been peripheral and had not significantly affected the bank's operations.

The annual report shows a significant drop in profits after tax, provisions and transfers to inner reserves to £290,000 ($494,000) from £5.63m. Net banking profit rose though to £21.5m from £15.4m. The bank's capital reserve benefited from an £18.8m revaluation of the bank's buildings in Singapore and London.

Reflecting a shift in emphasis following a reorganisation of the bank – which has reduced staff numbers to around 170 now from a peak of 270 two years ago – fee-based income accounted for 37.5 per cent of the total last year, compared with 15 per cent in 1988.

KIO seeks to buy rest of Torras

By Peter Bruce

THE KUWAIT Investment Office (KIO), has asked permission to launch a takeover bid for the last remaining 2.27 per cent of its Spanish industrial holding affiliate, Torras Hostench, still quoted in Spain, in the final part of its effort to regain total control of the company and remove it from the stock market.

KIO, along with some close associates in Spain, already controls 97.73 per cent of Torras following a takeover offer earlier this year which is thought to have cost it more than Pta60bn ($576m). Although an offer price for the remaining shares has not been released, it is understood the offer could cost the Kuwaitis about Pta350m. KIO and its Spanish associates plan to remodel Torras's finances and its industrial holdings after the takeover.

After hours trade move by Amex

THE American Stock Exchange has joined the Chicago Board Options Exchange, the Cincinnati Stock Exchange and Reuters, the communica*tions group, to form a global* network to trade securities after hours, Reuter reports.

The New York Stock Exchange this week announced plans to begin after-hours trading.

Computer makers form alliance

By Louise Kehoe in San Francisco

EASTMAN Kodak and IBM are to form an "alliance" to develop a new generation of computer systems for publishers of newspapers and magazines.

Kodak's Electronic Pre-Press Systems subsidiary, which includes Atex Publishing Systems, the leading supplier of computerised publishing systems, will collaborate with IBM's Media Industry Marketing group to establish and support a publishing systems architecture based on open industry standards, the companies said.

The alliance will add IBM's marketing muscle to Atex's software expertise, industry analysts said. It represents a competitive challenge to companies such as Systems Integrators, which specialises in newspaper publishing systems.

By adopting industry standards, IBM and Kodak aim to link the pre-press functions of a publishing system – editorial, advertising and production – with business functions such as circulation, finance, management reporting, and credit checking and billing for advertising, to create "enterprise-wide" computer systems for publishers.

IBM will provide technical, marketing, development and financial resources to this endeavour and will play an active role in strategic and operational activities, the company said.

Kodak's EPPS will provide its publishing-industry and applications-software expertise. "The alliance with IBM will enable us to focus on imaging and publishing systems software, which is where we can add value for our customers. It's clear we both bring much to this alliance and have a lot to gain from the partnership," said Mr John White, vice president and general manager of Kodak's Integration and Systems Products Division.

The alliance reflects IBM's strategy of developing industry-specific computer "solutions" and Kodak's move to focus on areas of expertise such as imaging.

Bank to issue credit card bond

By Tracy Corrigan

FIRST Chicago, the US bank, is preparing to launch $1bn of credit card backed bonds in the US and international markets simultaneously, the second global issue of such securities.

The five-year fixed-rate issue, expected to emerge next week, will be lead managed by First Boston in New York and Credit Suisse First Boston in London.

Citicorp launched the first global credit card issue last month. The $1.25bn five-year deal was issued through a vehicle called Standard Credit Card Trust, and arranged by Salomon Brothers.

The concept of global issuance was pioneered by the World Bank, which launched the first global deal last year.

Borrowers hope to reduce their funding costs by broadening distribution and eliminating price differentials between markets.

The five-year SCCT bonds are currently trading at a spread of about 78 basis points above the five-year US Treasury yield.

Dealers expect the First Chicago issue to be priced at a yield spread of about 80 basis points, offering a slight pick-up.

Apart from Citicorp, Sears, Roebuck, the US retailer, is the only other issuer to have offered credit card-backed bonds in the Eurobond market.

There is now more than $3bn of credit card-backed paper outstanding in the Eurobond market, including the global SCCT deal. But the US market for credit card-backed securities now tops $150bn, according to Standard & Poor's, the US rating agency.

Nevertheless, European investors' appetite for asset-backed paper appears to be sharpening. Two Eurobond issues backed by car loans are also expected to emerge shortly.

Ecu60m divestment fund launched

By William Dawkins in Paris

MORE than 300 French companies pulled out of activities that no longer fitted their core businesses last year, according to the managers of what is claimed to be the first fund to specialise in French divestments.

Granville, the London-based investment group, and Edmond de Rothschild Banque, the Paris investment bank, have launched an Ecu60m ($73m) fund, christened Europe Strategies, which will aim to take large stakes in the growing number of French and Belgian businesses being spun off.

They expect the trend to grow fast, as a side-effect of the hectic expansion in French acquisitions, the value of which reached FFr420bn ($73.6bn) in 1989, 15 times more than five years ago. "Many acquiring companies feel the need to reduce the financial burden of their acquisition programme by disposing of non-core activities," says Granville.

It lists Thomson, the electronic group, Matra in missiles and electronics and Rhône-Poulenc, France's largest chemicals group, as the leading companies to have been most active recently in spinning off non-essential activities. Others include CGE, the telecommunications and engineering group, Usinor-Sacilor, the steel giant and Elf-Aquitaine in oil and chemicals.

The fund aims to make two or three investments annually, investing from FFr20m to FFr100m in stakes from 20 per cent up to full ownership. They will take an active part in management and encourage the companies' own executives to buy equity, both of which are unusual in French development capital. Granville estimates that managers get a chance to take stakes in their own companies in around 2 per cent of French divestments, as against 35 per cent in the US and 25 per cent in Britain.

ABC issue oversubscribed

ARAB Banking Corp, the Bahrain based bank, said its $350m share offering, the biggest ever held in the Middle East, had been 14.2 *per cent* oversubscribed, mainly by Arab investors.

Mr Abdullah Saudi, ABC president, said 84 per cent of the bank's issue of 25m shares had been privately placed.

Quebec to ease investment

By Robert Gibbens in Montreal

QUEBEC plans to ease restrictions on foreign ownership of provincially-incorporated insurance companies.

Quebec insurance firms will be able to invest in commercial companies operating in related fields, falling short of some companies' ambitions to be free to acquire sole control of commercial and industrial firms generally.

In amendments proposed to the Quebec Insurance Act the provincial government will raise the general limit on foreign ownership to 30 per cent voting control or more with ministerial approval. The general rule now is a 25 per cent maximum.

It means that Quebec based life companies will get easier access to outside capital to compete nationally and internationally. Quebec-owned general insurers are mostly affiliates of life companies.

Sanwa Trust arm sold to US bank

BANKAMERICA Corp's Bank of America said it had signed a definitive agreement to acquire the corporate trust business of Sanwa Bank California, a unit of Sanwa Bank, the Japanese bank, for an undisclosed sum, Reuter reports.

It said that under an agreement with Sanwa, most of Sanwa's corporate trust accounts would be assumed by Bank of America, which will also service those accounts retained by Sanwa.

MERCURY SELECTED TRUST
(SICAV)
14, rue Léon Thyes, L-2636 Luxembourg
R.C. Luxembourg No. B.6317

PAYMENT OF DIVIDEND

Notice is hereby given to Shareholders that, following a Resolution passed at the Annual General Meeting of Shareholders held in Luxembourg on 15th June, 1990, final dividends for the year 1989 of US$0.55 per share for the Dollar Global Bond Fund, US$0.70 for the Global Managed Currency Fund, US$0.50 for the Yen Global Equity Fund, US$0.50 for the Yen International Equity Fund, US$0.40 for the Yen Global Bond Fund and DM0.20 for the DM Global Bond Fund have been declared.

These dividends will be paid on the 29th June, 1990 to registered Shareholders of the respective Funds who are on the register at 15th June, 1990.

These dividends will be paid from 29th June, 1990 to Bearer Shareholders of the respective Funds against presentation of Coupon No. 6 for the Dollar Global Bond Fund, Coupon No. 5 for the Global Managed Currency Fund, Coupon No. 6 for the Yen Global Equity Fund, Coupon No. 6 for the Yen International Equity Fund, Coupon No. 8 for the Yen Global Bond Fund and Coupon No. 1 for the DM Global Bond Fund at any of the Company's Paying Agents including its Paying Agent in the United Kingdom:

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from whom claim forms can be obtained. United Kingdom tax will be deducted from claims in the United Kingdom at the rate of 25 per cent. unless claims are accompanied by an affidavit.

Final dividends will not be paid on the remaining Funds.

18th June, 1990 MERCURY SELECTED TRUST

COMPAGNIE GENERALE D'ELECTRICITE - C.G.E.
Corporation organized under French law (Societe anonyme)
Capital : French Francs [illegible]
Head – Office : 54, rue La Boetie - 75008 PARIS
Registered Head Office : PARIS B [illegible]
SECOND NOTICE

The holders of Bonds hereinafter specified issued by COMPAGNIE GENERALE D'ELECTRICITE C.G.E. who were called for June 12, 1990, being unable to meet validly for lack of quorum, are again convened to a General Meeting to be held at 3, rue La Fayette - 75009 PARIS (France) on June 25, 1990 :

1) at 11 a.m. for the holders of [illegible] % 1980-1991 Bonds (originally issued by Compagnie Financiere Alcatel) of FF 5,000 each, convertible into common shares of C.G.E.

2) at 3.30 p.m. for the holders of [illegible] % 1990-2000 Bonds of FF [illegible] each, convertible into common shares of C.G.E.

In order to consider the same agenda as the one for the first meeting, that is:

– Board of Directors' Report
– Approval of the decisions proposed to the Mixt meeting (Ordinary and Extraordinary) of shareholders, authorizing the board :
  - to issue warrants which permit to subscribe shares, with the shareholders' waiver of their preferential right,
  - to allow the employees of the company and of the companies of its group right to subscribe or to buy shares,
  - to issue shares allocated to the employees of the company and of the companies of its group who have subscribed to a "plan d'epargne entreprise",
  - and to issue shares allocated to the employees of the company and of the companies of its group who can't be member of a "Plan d'epargne entreprise",
  - and to issue shares against presentation of securities issued by subsidiaries of C.G.E.
– Decision on the methods of recording the documents of the general meeting.

To permit the bondholders to attend or to be represented at these meetings, the Bonds or their deposit receipts, must be deposited at least five days before the date fixed for the meetings, at the offices the banks having participated in the placing of these Bonds and from whom proxies or admission cards can be requested.

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The Interest Amount payable on the relevant Interest Payment Date, which will be 14th December 1990, is £377.59 for each Note of £5,000 and £3,775.94 for each Note of £50,000.

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FT
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US MONEY AND CREDIT

Markets lose their enthusiasm

THE final flush of enthusiasm left over from May's brisk rally has ebbed away from US credit markets. Prices edged only a fraction higher over the past week although it was enough to ease yields below their range of the past four months.

The only liveliness was induced somewhat artificially. First the market responded positively to a fall in retail sales then negatively to a rise in industrial production. Both were over-reactions to the real message of the data.

For a further fix on the economy, the markets will read with interest the Beige Book this Wednesday summarising conditions in Federal Reserve districts around the country. Philadelphia Fed said recently that industrial activity seemed to be levelling off in its region.

As usual, the Book will be one of the many pieces of intelligence the Fed's Open Market Committee will consider when it meets in July to decide on monetary policy. Only the handful of unreconstructed recessionists believe the FOMC will vote to ease policy a notch.

This is not to say tranquility will rule in coming months. Wednesday also brings the Treasury's announcement of the details of its auctions of two-year and four-year notes the following week, reminding the market of an uncomfortably large supply of new issues ahead.

These are the first sales after an auction lull that allowed many market participants to ignore that the Treasury and various government agencies have to raise a lot of new money in coming months. The total is about $62bn between now and the end of August, estimates Mr Geoffrey Dennis of James Capel in London.

"This heavy downpour of paper . . . will be very difficult for the market to absorb unless yields move higher," Mr Dennis believes. "With hopes for a Fed ease and for a 'credible' budget agreement still slim, the market is due for some indigestion as we enter the third quarter. We reiterate our view that long yields are set to return to 9 per cent during the summer."

Moreover, the hoary old issue of foreign investors' interest in US securities hangs over the markets again. Treasury figures show that they made net purchases of only $700m of US bonds and stocks in the first quarter of this year, a mere morsel compared with the average of $18bn per quarter they devoured last year.

If central banks' net sales of $5bn of US securities are included, there was a net outflow of foreign money in the first quarter. Excluding the period right after the October 1987 crash, this was the worst performance since early 1984.

"The sharp drop-off in securities purchases, combined with a reported decline in first-quarter direct investment, suggests that the US is struggling to maintain foreign capital inflow, with interest rate differentials at decade-long lows," said Mr Robert DiClimente, a Salomon Brothers economist in New York.

These international factors which are likely to contribute to the upward pressure on interest rates during the summer did not appear to be much on the bond market's mind last week. Instead it picked over the retail sales and industrial production numbers for some clue as to where the economy and the Fed are heading.

The trouble is that both sets of data are suspect, particularly the former. May retail sales fell 0.7 per cent from April, marking the third monthly decline in a row. Such a long running decline was last seen in September-November 1981, presaging the short recession from late 1981 into 1982. So the market loved last week's figures as a sign of weakening economic activity and hence lower interest rates.

What consumers get up to is vital to the economy. They generate some two-thirds of gross national product. With the economy short of other stimuli at the moment, how much they spend will have a strong influence on the rate of economic growth this year.

But the retail sales figures are a grossly inaccurate way to take the consumer's pulse. It "is a flawed and misleading series," said Griggs and Santow, moneymarket economists. "The numbers should be published quarterly."

A much more accurate measure is the personal consumption series which avoids the shortcomings of the retail sales figures. Crucially half the monthly consumption is services, a huge sector of the economy retail sales ignore. Moreover, personal consumption figures come out after retail sales so they are based on fuller and more accurate samples.

May's personal consumption figures will be released this Friday with economists forecasting a rise of about 0.1 per cent from a month earlier, in contrast to retail sales' decline. One caveat: they are likely to have grown more slowly than in the previous month.

The industrial production figures were also rather misleading last week. Output increased 0.6 per cent in May, much more than forecast. The market thought this was a sign of a pickup in the sluggish goods-producing sector and hence a reason for the Fed to hold interest rates steady.

But excluding car production, output was up only 0.2 per cent. Also it was rebounding from a flat April so next month's figure is likely to be far less perky.

For those disappointed by the turn of events last week, one of the few providers of reassuring words were S. G. Warburg's bullish New York analysts. The inflation figures were looking good, they said, so "don't lose heart . . . the Fed will soon feel comfortable with easing."

Roderick Oram

US MONEY MARKET RATES (%)

	Last Friday	1 week ago	4 wks ago	12-month High	12-month Low
Fed Funds (weekly average)	8.25	8.25	8.19	9.92	8.00
Three-month Treasury bills	7.93	7.95	7.99	9.11	7.20
Six-month Treasury bills	8.02	8.03	8.14	9.37	7.18
Three-month prime CDs	8.24	8.24	8.36	10.35	8.18
30-day Commercial Paper	8.15	8.13	8.18	9.95	8.05
90-day Commercial Paper	8.13	8.08	8.15	10.05	8.15

US BOND PRICES AND YIELDS (%)

	Last Fri.	Change on wk	Yield	1 week ago	4 wk. ago
Seven-year Treasury	100 ¼	+⅜	8.47	8.49	8.77
20-year Treasury	107 ⅜	+⅜	8.53	8.53	8.79
30-year Treasury	103 ⅜	+⅜	8.42	8.44	8.69

Source: Salomon Bros (estimates).

Money supply: In the week ended June 4, seasonally adjusted M1 rose $4.3bn to $808.2bn.

NRI TOKYO BOND INDEX

December 1983 = 100	PERFORMANCE INDEX 14/6/90	Average yield (%)	Last week	12 wks ago	26 wks ago
Overall	146.4	6.94	146.4	141.86	148.25
Government Bonds	144.52	6.73	144.49	139.58	148.23
Municipal Bonds	148.4	7.00	148.4	143.18	149.81
Govt.-guaranteed Bonds	150.58	7.08	150.51	145.71	151.08
Bank Debentures	143.2	7.10	143.37	139.22	142.44
Corporate Bonds	148.54	7.31	148.35	145.75	150.38
Yen-denom. Foreign Bonds	153.96	7.68	153.63	151.87	156.19
Government 10-year†	6.53	-	6.55	6.88	5.46

† Estimated par yield

Source: Nomura Research Institute

Dutch offer Ecu product

By **Deborah Hargreaves** in Stockholm

THE European Options Exchange (EOE) in Amsterdam is planning to launch a large-scale European stock index product next year which will be denominated in Ecu. Mr Ted Westerterp, president of the EOE, says the exchange will list futures and options contracts on the new index as well as giving other exchanges the opportunity of trading.

The Top 100 index will include the most highly-capitalised stocks in nine countries, according to Mr Westerterp. The index will include stocks from the UK, France, West Germany, Italy, Spain, Belgium, the Netherlands, Switzerland and Sweden.

Mr Westerterp says he believes it is a truly European product which will be attractive to investors in the run-up to the 1992 single market.

This announcement appears as a matter of record only.

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The Daiwa Bank, Limited ● Banca Novara (UK) Limited ● Banco di Sicilia, London Branch
Banco di Sicilia International S.A. ● CARIPLO - Cassa di Risparmio delle Provincie Lombarde, Hong Kong Branch
Banca CRT
Cassa di Risparmio di Torino, Cayman Islands Branch ● National Bank of Greece S.A., London Branch
Société Générale ● The Toyo Trust and Banking Co., Ltd. ● BDL Banco di Lugano
Oesterreichische Volksbanken-Aktiengesellschaft

Agent
Banco di Roma, London Branch

Intermediary Bank and Adviser to Fincantieri
Citibank, N.A., Rome Branch

May 29, 1990

CITICORP

UK GILTS

Investors concentrate on being right

THE bears were out in strength last week – on paper, not in the market.

Many analysts have long had doubts about how far the present rally was justified by hopes of UK entry to the exchange rate mechanism of the European Monetary System, and what the longer-term effects of misjudged entry might be.

Much good has their pessimism done them, so far: the market strengthened again last week, finishing higher despite another eight-year record high for the Retail Price Index.

The Treasury 11¾ per cent 2003/2007 ended the week well off its highs, but two points above its level of a week ago at 102¾ to yield 11.36 per cent.

Being right for the right reasons about the gilts market has taken second place to simply being right, which has meant following the market up. "Everyone has the feeling that the current level looks unjustified, but people are buying, and that justifies it," says John Shepperd from Warburg Securities.

"The only reason for buying sterling assets is the currency," he argues; domestic investors buy because they see overseas interest. The level of inflation makes yields look ridiculous, he says, characterising the market as "expensive but well supported."

How much further can this process go? Mr Roger Bootle of Greenwell Montagu concludes that the pound may have already taken all its boost from EMS membership, and thus may not have much further to go. On entry to the ERM, then, neither lower interest rates nor a higher currency may be delivered: indeed, Mr Bootle also sees the possibility of tightening of monetary policy after entry.

"A sharp monetary slowdown is necessary simply to stabilise the external value of the currency and the balance of payments," says Mr David Smith of Williams de Broe. "Without it, the pound will start sliding once more, UK trade will drift deeper into the red, and Britain will either not be allowed to join the ERM or be unable to maintain its membership for more than a short period." Mr Smith's analysis is based on the continuing high rates of growth of broad money, and Bundesbank strictures about the pre-conditions of entry to the ERM.

The Japanese, rational long-term investors with an eye to the fundamentals, must have greatly enjoyed the market's Euro-euphoria. They have been merrily unloading gilts into the rally, to the point where they have little left to sell, analysts said last week. Although they are keen on direct investment and property in the UK, and have quite a taste for equities, they have yet to see much reason to put money into gilts.

Ian Abrams of Nomura Securities says that the Japanese are "distinctly unimpressed" by the ERM argument for buying gilts. "Professional bond investors have tended to avoid the market," says Neil MacKinnon of Yamaichi. Resolving some of the uncertainties over the pound may have led to a keener appreciation of the virtues of sterling-based assets as a whole, he says, but gilts are dependent on two other things: a more liquid market and a better inflation performance.

Instead, he says, Japanese institutions have been keener on short-term instruments – cash, money market instruments, even some short-term gilts.

"It's very difficult for Japanese investors to understand interest rate policy – it's difficult enough for us in London," says Mr MacKinnon. The inflation backdrop means that for the UK to enter the ERM points to either rapid reversal of any base rates cuts or persistent devaluation, he argues. The bottom line on ERM for Japanese investors, says Mr MacKinnon, is that "they don't see it as a quick fix."

The Japanese were heavy net sellers of overseas bonds as a whole in the first five months of the year, according to government figures. But they remain keen on European bond markets.

Mr Abrams concludes that compared with these markets, gilts offer little in the way of an interest-rate spread. Moreover, with the French franc and the DM bumping along the bottom of the EMS grid, he says that interest rates may have to rise again in these countries, thus making gilts look even less competitive and possibly denting the pound's rise.

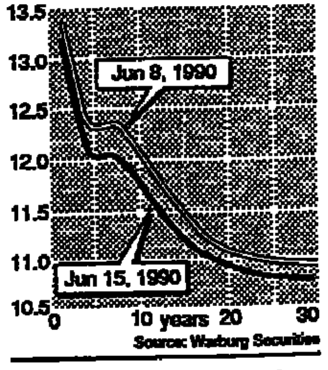
The market's present confidence continues to find an echo in rumours of new market participants. There is definitely interest from Deutsche Bank, which has been making approaches to individuals in several companies. It is also thought to have approached one of the largest gilt-edged market-makers with a view to purchase.

Yamaichi, another long-rumoured entrant, is also known to be carefully monitoring the situation in the market.

Andrew Marshall

UK gilts yields

Restated at par (%)



Source: Warburg Securities

FT/AIBD INTERNATIONAL BOND SERVICE

U.S. DOLLAR STRAIGHT	Issued	Bid price	Chg on week	Yield
ABBEY NATIONAL 8 7/8 93	150	98¾	+⅛	9.33
ABN 9 1/8 94	200	99½	+⅛	9.26
AETNA LIFE & CAS 7 3/4 16	200	96⅝	+⅛	8.06
ALBERTA PROVINCE 7 3/8 91	750	97⅞	+⅛	8.91
ALBERTA PROVINCE 9 3/8 95	600	101	+⅛	9.11
AMERICAN EXPRESS 0 00	450	38¼	+¼	9.46
AMERICAN GENERAL 9 3/4 95	100	97¼	−⅛	10.51
ANHEUSER-BUSCH 9 1/8 92	100	99⅜	+⅛	9.15
ASIAN DEV BANK 0 04	1000	29	+⅛	9.10
AUSTRALIA 11 95	200	106⅛	+⅛	9.39
AUSTRALIA 11 1/4 00	100	108¼	+⅛	9.91
AUSTRALIAN WHEAT 9 1/2 93	200	100⅝	+⅛	9.25
AUSTRIA 7 3/4 97	200	93½	+⅛	9.08
AUSTRIA 8 1/2 00	400	95½	+⅛	9.21
AUSTRIA 9 5/8 93	140	101⅜	+⅛	8.80
BANK OF TOKYO 8 3/8 96	100	95½	+⅛	9.40
BARCLAYS JERSEY 10 5/8 95	250	105¼	+⅛	9.34
BELGIUM 7 1/2 91	250	98		9.07
BELGIUM 8 97	300	93⅜	+⅛	9.26
BELGIUM 9 1/8 92	400	100⅝	+⅛	8.90
BELGIUM 9 5/8 98	250	102	+⅛	9.26
BELLSOUTH CAP FUND 9 1/4 93	120	101	+⅛	8.86
BETAWEST PROP 7 3/4 93	150	96	+⅛	9.35
BFCE 7 1/4 93	100	95½	+⅛	9.01
BFCE 7 3/4 97	150	93	+⅛	9.18
BK NOVA SCOTIA 7 7/8 91 SW	150	98½	+⅛	9.44
BNP 8 3/4 95	125	98⅝		9.41
BNP 8 5/8 94	300	98¼	+⅛	9.14
BOOTS 9 97	175	97½		9.59
BP AMERICA 9 3/4 99	250	101⅝	+⅛	9.45
BP CAPITAL 9 5/8 93	150	100½	+⅛	9.35
BRIT COL HYDRO 11 3/4 93	200	106¼	+⅛	9.43
BRITISH GAS INT FIN 8 3/8 99	350	94½	+⅛	9.30
BRITISH TELECOM FIN 8 3/4 99	200	96½	+⅛	9.33
BRITISH TELECOM FIN 9 3/8 98	250	100⅝	+⅛	9.29
CAISSE NAT ENERGIE 11 3/4 95	125	108⅝	+⅛	9.28
CAMPBELL SOUP 10 1/2 95	100	102⅝		9.94
CANADA 9 96	1000	100½	+⅛	8.87
CANADA 10 95	500	104⅝	+⅛	8.92
CANADIAN PACIFIC 7 1/2 96	100	90⅝	+⅛	9.71
CATERPILLAR FIN SERV 0 94	140	71½	+⅛	9.61
CCCE 7 1/8 91	113	97⅞	+⅛	9.00
CCCE 9 1/4 95	300	100¼	+⅛	9.03
CENTRUST SAVINGS 0 10	1200	11	−⅛	11.88
CEPME 7 1/4 92	125	97¼	+⅛	8.93
CHEVRON CORP 8 1/4 96	300	95	+⅛	9.39
COLGATE-PALMOLIVE 9 1/2 96	100	98½	+⅛	9.83
COMM BK AUSTRALIA 10 93	100	102¼	+⅛	9.16
COMMERZBK O/S FIN 8 5/8 92	100	98⅞		9.32
COUNCIL EUROPE 8 96	100	94½	+⅛	9.15
CNCA 7 1/2 94	150	94⅞	+⅛	9.18
CNT 7 91	150	97¼		9.01
CREDIT FONCIER 7 1/2 94	150	95½	+⅛	9.05
CREDIT FONCIER 9 1/4 95	200	100⅝	+⅛	9.04
CREDIT NATIONAL 7 3/8 92	100	97½	+⅛	8.87
CREDIT NATIONAL 8 1/4 93	200	98¼	+⅛	8.96
DAIICHI KANGYO AUST 9 5/8 92	150	101	+⅛	9.08
DENMARK 0 98	250	48½	+⅛	9.29
DENMARK 7 1/8 92	500	97¼	+⅛	8.96
DENMARK 7 3/4 93	250	96⅝	+⅛	9.02
DENMARK 8 1/4 94	150	97	+⅛	9.13
DEUTSCHE BK FIN 9 3/8 99	200	100½	+½	9.29
DKB ASIA 8 1/8 91	200	98⅝		9.31
ECSC 8 1/4 96	193	95⅝	+⅛	9.16
EEC 7 1/4 93	250	96	+⅛	8.94
EIB 7 3/4 93	150	96½	+⅛	8.97
EIB 7 3/4 96	250	93¼	+⅛	9.13
EIB 10 97	250	104⅛	+⅛	9.12
EKSPORTFINANS 0 94	300	68½	+⅛	9.24
EKSPORTFINANS 7 5/8 93	100	95⅝	+⅛	9.13
EKSPORTFINANS 7 7/8 96	200	93⅝	+⅛	9.26
ELEC DE FRANCE 7 3/4 93	125	96⅛	+⅛	9.02
ELEC DE FRANCE 9 98	200	99⅝	+⅛	9.06
ELI LILLY 10 1/4 92	150	102⅝	+⅛	8.91
EMERSON ELECTRIC 9 5/8 95 SW	100	100⅛	+⅛	9.57
EQUITABLE LIFE 10 1/8 92	100	100⅛		9.62
EURO CRED CARD TST 9 94	325	99⅝	+⅛	9.12
EUROFIMA 9 1/4 96	100	100⅝	+⅛	9.03
EUROFIMA 10 1/8 93	100	102¾	+⅛	8.93
EX-IM BANK JAPAN 9 3/4 99	200	102⅞	+⅛	9.26
EXPORT DEV CORP 8 5/8 00	200	96⅝	+⅛	9.19
EXPORT DEV CORP 9 1/2 98	150	101⅝	+⅛	9.18
EXXON CAPITAL ZERO 04	1800	29⅝	+⅛	8.90
FARM CRED CORP 7 1/2 93	100	94⅞	+⅛	9.28
FARM CRED CORP 7 3/4 96	100	93⅝	+⅛	9.27
FERRO DEL STAT 8 1/2 93	500	98⅝	+⅛	8.94
FERRO DEL STAT 9 1/8 09	500	100⅛	+⅛	9.11
FINLAND 7 7/8 97	200	93	+⅛	9.32
FINLAND 9 96	550	99⅝		9.08
FINNISH EXPORT 8 1/2 92	200	99½		9.02
FINNISH EXPORT 9 3/8 95	200	101⅛	+⅛	9.08
FORD MOTOR CREDIT 9 1/2 93	300	100⅝	+⅛	9.15
FORSMARKS 8 3/4 91	100	99⅝	+⅛	9.21
FUJI INT FIN 9 1/4 93 (AUG)	100	99⅞	+⅛	9.26
GEFCO 7 5/8 97	150	91⅝	+⅛	9.34
GEN ELEC CAPITAL 8 1/4 91	300	99¼	+⅛	9.10
GEN ELEC CAPITAL 9 3/8 96	300	101¼	+⅛	9.09
GENERAL ELECTRIC 9 1/8 93	500	100⅝	+⅛	8.78
GMAC 9 1/8 96	200	99	+⅛	9.34
HALIFAX 9 1/2 93	200	100½	+⅛	9.30
HONDA INTL FIN 9 1/8 93	100	98¾		9.49
IBM CREDIT CORP 9 1/2 92	250	100⅞		8.86
IBM WORLD TRADE 7 5/8 93	150	95½	+⅛	9.19
IMI BANK 8 5/8 94	500	97¼	+⅛	9.28
IND BK JAPAN 10 3/4 92	100	102	+⅛	9.28
IND BK JAPAN FIN 7 7/8 97	200	92¼	+⅛	9.35
IND BK JAPAN FIN 8 93	150	97¼	+⅛	9.04
INTER AMER DEV 7 5/8 96	200	92⅝	+⅛	9.22
IRELAND 9 1/2 00	250	99⅝	+⅛	9.53
ITALY 8 1/2 94	1500	98	+⅛	9.05
ITALY 9 93	1000	100¼	+⅛	8.89
ITALY 9 1/8 96	150	99⅝	+⅛	9.16
ITALY 9 5/8 99	1000	102⅛	+⅛	9.24
JAPAN DEV BK 8 94	150	96⅝	+⅛	9.05
JAPAN DEV BK 10 96	200	103⅝	+⅛	9.14
JAPAN FIN CORP 9 7/8 96	150	103⅛	+⅛	9.13
JAPAN HIGHWAY 9 5/8 96	180	102	+⅛	9.13
KANSAI ELEC PWR 10 96	350	102⅝	+⅛	9.38
KFW INTL FINANCE 9 94	300	99⅝	+⅛	9.05
KOBE 8 7/8 99	150	97⅝	+⅛	9.24
LIBERTY MUTUAL 8 1/2 96	150	96	+⅛	9.39
LIBERTY MUTUAL 9 1/8 93	150	99⅝	+⅛	9.22
LINCOLN NATIONAL 9 3/4 95	100	100⅝	+⅛	9.57
LTCB 8 5/8 93	150	98⅝	+⅛	9.08
LTCB 9 1/4 92	200	100⅛	+⅛	9.02
LTCB FIN 8 97	200	93	+⅛	9.46
MANITOBA 7 1/2 96	150	92	+⅛	9.31
MARKS & SPENCER 8 1/4 96	150	95⅛	+⅛	9.34
MERCEDES CREDIT 7 1/4 93	100	94⅝	+⅛	9.17
MERRILL LYNCH 8 93	200	94¼	+⅛	9.94
METLIFE FUNDING 7 3/4 96	150	91⅞	+⅛	9.51
MITSUBISHI CORP FIN 7 1/4 92	150	97¼	+⅛	9.23
MITSUBISHI FINHKO 7 7/8 93	100	95⅝	+⅛	9.41
MITSUI TST FIN HK 7 3/4 94	200	94⅝	+⅛	9.44
MONY FUNDING 8 1/4 96	150	93⅝	+⅛	9.64
MORGAN (JP) 10 3/8 92	100	102⅝	+⅛	9.13
MOUNT ISA FIN 11 95	100	102	+⅛	10.47
NAT WEST FIN 11 3/4 92	150	104⅝	−⅛	9.43
NED GASUNIE 7 1/4 92	100	96¼	+⅛	9.23
NEW ZEALAND 7 5/8 91	250	98½	+⅛	9.02
NEW ZEALAND 8 93	100	96⅛	+⅛	9.29
NEW ZEALAND 9 94	850	99¼	+⅛	9.20
NEW ZEALAND 10 1/4 95	200	101⅛	+⅛	9.88
NIPPON CRED BK 7 1/2 91	100	97⅛	+⅛	9.30
NIPPON CRED BK 9 3/4 93	150	101¼	+⅛	9.26
NIPPON TEL & TEL 9 3/8 95	200	100⅝		9.12
NISSAN ACCEPT CORP 9 1/4 91	150	99⅞		9.31
NOMURA INTL 7 1/4 92	150	96¼	+⅛	9.20
NORSK HYDRO 7 92	150	96⅛	+⅛	9.74
NORWAY 7 1/4 91	500	98¼	+⅛	8.96
OCCH 8 1/2 93	150	98	+⅛	9.32
OLYMPIA & YORK 8 1/4 96	435	90⅝	−⅛	10.48
ONTARIO HYDRO 11 5/8 94	200	106⅝	+⅛	9.32
ONTARIO HYDRO 13 1/2 91	100	102⅝		8.88
ONTARIO HYDRO 15 92	150	110⅝		9.26
OSAKA PREFECTURE 9 3/8 93	140	100⅝		9.02
OSTER KONTROLLBANK 8 1/8 93	200	98	+⅛	8.95
OSTER KONTROLLBANK 9 1/8 92	200	100⅛	+⅛	8.96
PANASONIC CAPITAL 9 92	300	100¼	+⅛	8.84
PEPSICO 7 3/8 93	200	95⅛	+⅛	9.36
PETRO-CANADA 7 1/4 96	200	91⅝	+⅛	9.26
PHILIP MORRIS 9 7/8 98	200	99⅝	+½	9.88
PROCTER & GAMBLE 10 95	150	101½	+⅛	9.60
PRUDENTIAL FUNDING 7 3/4 91	150	98⅝	+⅛	9.09
PRUDENTIAL RLTY SECS 0 99	365.216	46½	+⅛	9.33
QANTAS AIRWAYS 8 5/8 96	97.75	96¼	+⅛	9.45
QUEBEC HYDRO 9 3/4 98	150	101⅝	+⅛	9.42
QUEBEC PROV 9 98	200	97⅝	+⅛	9.38
QUEENSLAND GOVT 10 1/4 95	100	103¼	+⅛	9.41
RALSTON PURINA 11 3/4 95	150	105⅝	+⅛	10.28
REYNOLDS (RJ) 10 1/4 93	100	90⅝		14.19
SAINSBURY 9 1/8 96	150	98⅝	+⅛	9.41
SARA LEE 9 3/8 93	150	99⅝	+⅛	9.54
SAS 10 99	200	101⅝	+⅛	9.70
SAS 10 1/8 95	150	101⅞	+½	9.64
SASKATCHEWAN 15 92	150	110½		9.37
SEAGRAM CO 8 1/2 96	100	94⅝	+⅛	9.80
SEARS O/S FIN 0 98	500	46⅝	+⅛	9.95
SEARS O/S FIN 11 5/8 93	150	105	+⅛	9.75
SKANDIA INTL 7 1/4 92	200	96¼	+⅛	9.34
SNCF 7 1/4 94	175	94½	+⅛	9.08
SNCF 9 1/2 98	150	101¼	+⅛	9.18
STATE BK STH AUST 9 1/4 93	100	99¼	+⅛	9.32
STATE EL VICTORIA 10 92	100	101½	+⅛	9.30
STATOIL 7 5/8 94	200	93⅝	+⅛	9.66
STH AUST GOVT FIN 8 3/4 93	100	98⅝	+⅛	9.30
SUMITOMO FIN ASIA 11 3/4 92	150	103⅝	+⅛	9.35
SUMITOMO TST 7 3/4 91	100	98¼	+⅛	9.16
SWEDEN 7 92	250	97¼	+⅛	8.81
SWEDEN 8 1/8 94	150	96½	+⅛	9.19
SWEDISH EXPORT 9 5/8 93	100	101½	+⅛	8.94
TAIYO KOBE 7 3/4 94	100	94½	+⅛	9.46
TENNECO CORP 10 3/4 95	150	101⅝	+⅛	10.25
TOKAI ASIA 11 1/2 95	100	107⅝	+⅛	9.56
TOKYO ELEC POWER 8 3/4 96	300	97	+⅛	9.40
TOKYO METROPOLIS 8 1/4 96	200	95½	+⅛	9.19
TOKYO METROPOLIS 9 1/2 93	200	101¼	+⅛	8.89
UBS FIN 9 1/8 02	225	98⅝	+⅛	9.35
UNILEVER CAP CORP 9 7/8 92	150	101½	+⅛	9.11
UNITED TECHNOLS 7 3/8 93	200	95⅝	+⅛	9.35
VICTORIAN PUB AUTH 8 3/8 96	100	94⅝	+⅛	9.52
WARNER-LAMBERT 8 1/8 96	100	95	+⅛	9.26
WORLD BANK 7 92	300	97⅝	+⅛	8.76
WORLD BANK 8 3/8 99	1500	96⅝	+⅛	9.07
WORLD BANK 8 3/4 97	1500	99¼	+⅛	9.09
XEROX CORPN 8 3/8 96	100	93¼	+⅛	9.85

FLOATING RATE NOTES	Issued	Bid price	Chg on week	C.cpn
ABBEY NATIONAL 1/16 00 £	150	99.95		15.3125
ALASKA HOUSING 1/10 01	125	99.00	+.04	8.3500
ALBERTA PROVINCE 1/32 93	500	99.87	+.01	8.4063
ALLIANCE & LEICS 0.08 94 £	300	99.89	+.02	15.3300
ALLIANCE & LEICS 0.1 95 £	150	100.04	+.02	15.3500
AMERICAN S & L 0.15 96	200	99.67	+.01	8.7125
ANGLIA 1/8 98 £	100	100.03	+.01	15.3750
ANZ BANKING 0.15 PERP	300	86.28	−.1	9.0875
BANCO DI NAPOLI INT 91	150	99.97	+.03	8.8750
BANCO DI SICILIA 1/16 92	100	99.71		8.4375
BANCO ROMA 0.03 01	200	95.99	−.02	8.2800
BANK OF CHINA 1/16 92	200	98.81	−.02	8.8125
BANK OF GREECE 1/4 99	250	98.39	+.01	8.7500
BANK OF MONTREAL 1/20 98	250	97.03	+.01	8.4875
BARCLAYS O/S INV 1/8 04	350	98.36	+.03	8.5625
BBL INTL 0.05 01	200	96.07	−.01	8.4250
BCI 0.15 98	300	97.17	−.09	8.4625
BELGIUM 94	300	100.04	+.05	8.6875
BELGIUM 96	400	99.82	−.02	8.3125
BELGIUM 1/16 97 DM	500	100.06	+.01	8.9375
BFCE −0.02 96	350	99.86		8.4175
BILBAO INTL 0.035 01	150	98.78		8.4725
BIRMINGHAM MID 1/8 98 £	100	99.94		15.6250
BNP 1/4 95	400	100.43	−.01	8.6250
BNP 05	300	98.84	−.08	8.3750
BRISTOL & WEST 1/8 92 £	100	100.01	+.01	15.3750
BRITANNIA 1/10 96 £	150	99.90	+.02	15.3500
CARTERET 1/16 96	125	99.29	−.02	8.6250
CCF 97	250	99.07	−.01	8.3750
CENTRAL INTL 1/10 00	150	99.24		8.7250
CENTRUST SAVINGS 0.03 96	200	98.93	+.09	8.5925
CHASE MANHATTAN 1/8 93	150	99.41	−.01	8.5625
CHASE MANHATTAN 1/8 09	400	82.57	−1.82	8.5000
CHASE MANHATTAN 1/16 00	250	92.20	−2.14	8.5000
CHELT & GLOUC BS 1/16 94 £	125	99.84	+.04	15.2500
CITICORP 1/4 98	500	96.86	−.19	8.5625
CITIZENS FED 0.15 96	100	99.11	+.08	8.7125
COMALCO FIN 93	180	99.57		8.5625
COMM BK AUSTRALIA 0.15 PERP	300	99.09	+.01	8.4625
COMMERZBK O/S FIN 93	200	99.59	−.01	8.3125
CREDIT DU NORD 1/16 97	100	99.56	+.02	8.7500
CREDIT LYONNAIS 1/8 99	250	99.44	−.05	8.5625
DENMARK −1/8 96	1000	99.13	+.06	8.1875
DRESDNER FINANCE 91 XW	250	100.01		8.8750
FERRO DEL STAT 94	300	100.27	+.01	8.4375
FERRO DEL STAT 97	420	99.95		8.3125
FORTUNE FEDERAL 1/8 92	100	99.26	+.03	8.8125
GT AMER FST SAV 1/8 92	100	99.36	+.05	8.8750
HALIFAX 1/10 94 £	200	100.06	+.04	15.3500
HALIFAX 2/25 96 B £	150	100.09	+.07	15.5800
HESSISCHE LANDESBK 96	100	99.20	−.11	8.6875
HOUSEHOLD BANK 0.15 96	100	99.33	−.05	8.6500
ICELAND 1/8 00	125	99.35		8.3750
INVESTORS IND 1/8 94 £	125	99.94		15.2500
IRELAND 5 00	300	99.64	+.01	8.4375
ITALY 00	500	100.47	−.01	8.3125
KB IFIMA 0.15 11	150	91.37	−.71	8.7125
LEEDS PERMANENT 1/8 96 £	200	99.98		15.4375
LLOYDS BANK 1/10 PERP	600	86.78		8.5375
MALAYSIA 1/16 05	650	98.16		8.8125
MELLON BANK 1/8 96	250	94.91	+.02	8.5000
MIDLAND INTL FIN 1/8 99	200	97.29	−.06	8.6250
MITSUI FIN ASIA 1/8 96	100	99.93	+.01	8.5625
MORGAN (JP) 1/4 97	250	99.64	−.02	8.5625
MORGAN STANLEY 1/8 93	200	99.19	+.02	8.3750
NAT BK CANADA 1/16 96	200	99.05		8.3750
NAT WEST FIN 3/16 05	400	97.60	−.1	8.8125
NAT WEST 1/4 PERP C	500	90.94	+.06	8.5000
NATIONWIDE 0.08 96 £	300	99.80	+.01	15.2050
NATL PROVINCIAL 1/8 96 £	200	99.98	+.02	15.4375
NEW ZEALAND 93	500	99.44	+.01	8.2500
NHL 2ND FUNDING 0.275 14 A £	100	99.93	+.01	15.6500
NORTHEAST SAVINGS 1/10 96	150	99.14	+.04	8.5375
NORTHERN ROCK 1/8 95 £	100	99.95	+.01	15.3750
PNC FIN 1/16 97	100	96.30		8.4375
PORTUGAL 0.05 93	700	99.90	+.02	8.4875
QUEBEC HYDRO 02	200	97.20	+.1	8.3750
QUEBEC PROV 01	300	97.80	+.14	8.5000
REGIE OLYMPIQUES 94	250	99.46	+.09	8.3750
RENFE 98	500	99.69	+.01	8.5000
SANTA BARBARA S&L 1/16 96	200	99.27	+.22	8.5625
SANWA INTL 0.10 93	100	99.93	+.01	8.3500
SECURITY PACIFIC 1/16 97	250	95.73	−.32	8.5000
SOCIETE GENERALE 1/8 94	200	99.84	−.02	9.0625
SOCIETE GENERALE 96	300	99.29	+.03	8.6250
STATE BK NSW 3/16 98	250	99.49	+.01	8.5625
TAIYO KOBE 1/8 04	100	99.97	+.01	8.6250
TAKUGIN 1/8 94	100	99.97		8.8125
TOWN & COUNTRY 0.1 94 £	100	99.85	+.03	15.4750
UNITED KINGDOM −1/8 96	4000	99.79	−.01	8.2500
WARBURG (SG) 1/4 06	200	92.86	−.19	8.4375
WELLS FARGO 1/8 97	250	95.91	−.16	8.5000
WELLS FARGO 1/16 94	150	98.06	−.07	8.3750
WOODSIDE FIN (JULY) 97	300	99.09	+.02	8.6875
WOOLWICH EQUITABLE 1/8 93 £	200	100.04	+.01	15.3750
YORKSHIRE BS 1/10 94 £	100	99.93	+.02	15.3500

CONVERTIBLE BONDS	Issued	Bid price	Chg on week	Prem
ARGYLL GROUP 4 1/2 02 £	60	100⅝	+1½	+23.68
ASDA-MFI 4 3/4 02 £	100	104⅝	+⅞	+48.85
BURTON GROUP 4 3/4 01 £	110	107⅝	+¾	+91.09
EASTMAN KODAK 6 3/8 01	300	95⅝		+15.32
GOODYEAR TIRE 6 7/8 03	150	77¼	−⅛	+78.11
GRACE (WR) 6 1/4 02	150	86	+⅝	+21.26
GRAND MET 6 1/4 02 £	100	105⅝	+1	+3.95
HAWLEY 6 02 PREF	400	112¼	+¾	+3.68
HILLSDOWN 4 1/2 02 £	150	98⅝	+⅞	+50.84
INTL PAPER 5 3/4 02	200	89½	+1	+14.33
LAND SECS 6 3/4 02 £	84	83⅝	−⅛	+10.40
METAL BOX 5 3/4 02 £	65	108⅝	+2	−7.43
MITSUBISHI BK 1 3/4 02	300	89⅝	−1½	−0.79
OGDEN 6 02	85	86½	−⅛	+25.77
PACIFIC DUNLOP 6 3/4 97	75	104⅝	+⅛	+1.93
PIONEER CONCRETE 9 1/2 98 AS	175	74⅝	+⅛	+12.85
ROCKEFELLER CENTER 0 00	952.25	35¼	−⅛	−58.63
TEXAS INSTRUMENTS 2 3/4 02	300	76¼	−⅛	+61.54
THORN EMI 5 3/4 04 £	103	106½	+⅝	+2.91
UTD BISCUITS 5 3/4 03 PREF £	110	114⅝	+3¼	−2.74

DEUTSCHE MARK STRAIGHTS	Issued	Bid price	Chg on week	Yield
ASIAN DEV BANK 6 1/4 96	200	87¼		9.19
AUSTRIA 6 98	400	83¼	−⅛	9.08
CNT 6 1/8 98	200	82⅝	−⅛	9.19
CREDIT FONCIER 6 3/4 99	500	85½	−⅛	9.27
DEUTSCHE BK FIN 5 5/8 96	750	84⅝		9.02
EIB 6 1/8 96	300	86¼		9.18
EIB 6 7/8 95	300	90½	−⅛	9.16
ELEC DE FRANCE 6 1/8 98	300	82⅝		9.24
EUROFIMA 6 1/4 98	400	82⅝		9.38
FERRO DEL STAT 5 3/8 93	500	91¼		9.31
HENKEL FIN 6 1/2 94 XW	250	90½		9.25
IND BK JAPAN FIN 5 5/8 96	200	84½		9.25
INTER AMER DEV 7 1/4 99	300	88⅝	−⅛	9.13
LUFTHANSA INT FIN 5 7/8 98	500	82	−⅛	9.19
QUEBEC HYDRO 6 3/4 99	300	84¼	−⅛	9.41
SWEDEN 6 1/8 98	300	83¼	−⅛	9.11
WORLD BANK 0 15	2000	14½	−⅛	7.97
WORLD BANK 5 3/4 96	300	85⅝		9.18
WORLD BANK 7 1/8 95	500	92⅝	−⅛	9.07

SWISS FRANC STRAIGHTS	Issued	Bid price	Chg on week	Yield
ASIAN DEV BANK 6 10	100	86½	−½	7.29
AUSTRIA 4 5/8 98	100	87½	−⅛	6.76
COUNCIL EUROPE 4 3/4 98	250	87	+⅛	6.95
DENMARK 3 3/4 91	100	97	+⅛	8.12
EEC 5 1/2 00	100	88½	+1	7.09
EIB 5 3/4 93	100	97	+⅛	6.76
FINLAND 5 3/8 95	150	93½	+⅛	6.85
JAPAN DEV BK 5 1/2 94	100	95	+½	7.09
MOUNT ISA FINANCE 5 3/4 94	100	89½		9.06
NEW ZEALAND 4 7/8 99	200	85½	+⅛	7.18
POLLY PECK INTL FIN 6 1/4 96	100	82¼	+⅛	10.53
QUEBEC HYDRO 5 08	100	79	−⅛	7.12
SKANDINAVISKA ENSK 6 1/2 95	100	98	−⅛	7.01
WORLD BANK 6 1/4 92	100	98½	+⅛	6.95
WORLD BANK 7 1/4 92	100	100¼	−⅛	7.11

YEN STRAIGHTS	Issued	Bid price	Chg on week	Yield
AUSTRIA 4 3/4 94	30000	93¼	−⅛	6.97
BARCLAYS O/S INV 6 96	40000	94⅝	+⅛	7.15
BELGIUM 4 5/8 94	45000	92¼	−⅛	6.97
CANADA 4 3/8 92	80000	95⅝	+⅛	6.89
CNT 5 1/8 94	20000	93⅝	−⅛	7.06
CREDIT FONCIER 5 1/4 94	20000	93⅞	−⅛	7.07
DENMARK 7 95	40000	100⅛	−⅛	6.89
EEC 4 3/4 93	25000	94⅛	−⅛	7.19
EIB 4 3/4 92	30000	96¼		7.09
ELEC DE FRANCE 5 5/8 96	20000	94	−⅛	6.81
FINNA 6 7/8 92	50000	100		6.88
GENERAL ELECTRIC 5 3/4 93	35000	96¼	+⅛	7.26
ITALY 5 3/4 92	150000	98⅛	−⅛	6.95
ITT 6 3/4 92	20000	98⅛		7.96
KANSAI ELEC PWR 4 5/8 94	60000	91½	−⅛	7.21
NIPPON TEL & TEL 5 3/4 93	50000	96⅛	−⅛	7.02
NORWAY 5 1/8 95	50000	93⅛	−⅛	6.85
PENNEY (JC) 6 3/4 92	26000	98¼		7.89
SALLIE MAE 6 5/8 92	25000	99¼		7.10
SWEDEN 5 5/8 95	20000	94½	−⅛	6.89
TOKYO ELEC POWER 4 7/8 92	60000	96⅞	+⅛	6.78
WORLD BANK 6 3/4 00	50000	99⅝	−⅛	6.80
WORLD BANK 7 1/4 95	45000	102	−⅛	6.75

LUXFR STRAIGHTS	Issued	Bid price	Chg on week	Yield
COUNCIL EUROPE 7 94	600	91¼	−⅛	9.75
GALVALANGE 7 95	600	90¼	−⅛	9.74
KREDIETCORP 7 93	1000	92⅞	−⅛	9.72
WORLD BANK 8 96	1000	93		9.61

GUILDER STRAIGHTS	Issued	Bid price	Chg on week	Yield
AEGON 7 1/8 98	200	88½		9.17
AMRO BANK 6 1/4 92	150	95		9.42
DENMARK 8 1/2 91	100	99¼	+⅛	9.31
HEINEKEN 7 5/8 94	150	95½		9.08
RABOBANK 5 3/4 93	150	91½	−⅛	9.43
WORLD BANK 5 3/4 92	100	93⅛	+⅛	9.68
WORLD BANK 6 1/4 91	100	97½	+⅛	9.79

CANADIAN DOLLAR STRAIGHTS	Issued	Bid price	Chg on week	Yield
ALBERTA PROVINCE 10 92	500	95½		12.64
BCE INC 9 5/8 93	300	92⅝	−⅛	12.71
BELL CANADA 10 5/8 99	150	93½	+⅛	11.82
BRITISH COLUMBIA 12 1/4 91	100	98⅝	+⅛	13.40
FORD CREDIT CANADA 10 94	100	92⅝		12.43
GENERAL ELECT CAP 10 1/4 93	175	94	−⅛	12.51
GMAC CANADA 11 94	100	95½		12.56
MONTREAL TRUSTCO 8 1/2 92	100	92⅝	−⅛	13.27
ONTARIO HYDRO 10 7/8 99	500	95⅝		11.68
QUEBEC PROV 10 1/2 98	300	91⅞	+⅛	12.06
ROYAL TRUSTCO 10 1/4 93	100	93⅛		12.92
SWEDEN 9 3/4 93	250	94¼	−⅛	[illegible]

ECU STRAIGHTS	Issued	Bid price	Chg on week	Yield
ALL NIPPON AIRWAYS 9 95	130	91½	+⅛	11.35
AUSTRIA 7 3/8 93	125	93⅛	+⅛	10.03
BFCE 8 5/8 93	150	93½	+⅛	11.15
BRITISH TELECOM FIN 8 1/2 94	150	92⅝	−⅛	10.67
CREDIT LYONNAIS 9 96	125	94¼	+½	10.22
CNA 7 3/8 95	120	86¼	+½	11.15
CNT 7 3/8 93	250	92½	−⅛	10.57
CREDIT FONCIER 7 5/8 94	330	91⅛	+⅛	10.45
CREDIT LOCAL 9 95	100	95⅝	+⅛	10.18
CREDIT LYONNAIS 6 3/8 92	175	92⅝	−⅛	11.34
CREDITANSTALT 8 7/8 94	67.5	92	+⅛	11.22
DENMARK 7 5/8 96	250	87¼	+⅛	10.32
DEUTSCHE BK FIN 8 5/8 94	200	94¼	−⅛	10.38
ECSC 8 97	141	89½	+½	10.31
EEC 7 5/8 94	200	91½	+⅛	10.49
EIB 10 97	500	98⅝	+½	10.30
ELEC DE FRANCE 8 5/8 99	200	89⅝	+⅛	10.36
ENEL 8 92	200	93⅝		10.98
EURATOM 7 3/8 96	100	83⅝	+⅛	11.14
EUROFIMA 7 5/8 95	165	87¼		11.23
FED BSNS DEV BK 9 94	100	94¼		10.84
FINNISH EXPORT 7 3/8 92	100	93⅝	+⅛	11.35
GEN ELEC CAPITAL 9 7/8 93	100	98⅝	−⅛	10.40
IND BK JAPAN FIN 8 3/8 93	100	91⅝		11.26
ITALY 10 3/4 00	1000	102⅝	+⅛	10.34
JAPAN DEV BK 8 5/8 97	200	91	+⅛	10.43
JAPAN HIGHWAY 9 1/8 96	150	94¼	+⅛	10.35
LVMH 8 93	150	90½	−⅛	11.81
NEW ZEALAND 7 3/4 93	200	93	+⅛	10.62
OSTER KONTROLLBANK 8 5/8 94	100	94	+⅛	10.45
SNCF 9 99	175	92⅝	+⅛	10.25
SUMITOMO FIN ASIA 9 93	75	93⅛		11.24
SWEDEN 7 1/2 93	250	92⅝		10.22
WORLD BANK 7 1/2 94	150	90½	+⅛	10.45

AUSTRALIAN DOLLAR STRAIGHTS	Issued	Bid price	Chg on week	Yield
BMW FINANCE 14 1/2 92	100	100⅝		14.10
COUNCIL EUROPE 13 93	50	98⅝	+⅛	13.45
EKSPORTFINANS 12 3/8 95	75	92⅝	+⅛	14.56
FORD CRED AUST 13 93	50	96⅛	−⅛	14.58
HEINZ 12 3/4 91	100	97¼	+⅛	15.65
ICI 15 1/2 92	100	101¼	+⅛	14.77
NAT AUSTRALIA BANK 14 3/4 94	150	100⅝	+⅛	14.62
STATE BK NSW 14 1/4 99	100	99½	+⅛	14.31
VOLKSWAGEN INTL 15 94	100	102⅝	+⅛	13.94

STERLING STRAIGHTS	Issued	Bid price	Chg on week	Yield
ASIAN DEV BANK 9 1/2 97	50	85¼	+1⅛	12.67
BARCLAYS JERSEY 9 1/2 93	250	91⅛	+⅛	13.16
BP CAPITAL 9 3/4 93	100	92	+⅛	13.38
CNT 10 97	70	89	+1½	12.49
EIB 10 97	300	88⅛	+1⅛	12.57
FORD CREDIT FUNDING 9 5/8 93	50	90⅝	+⅛	13.75
HALIFAX 9 5/8 93	100	90⅛	+⅛	13.65
INTER AMER DEV 11 3/8 95	75	95½	+⅛	12.60
ITALY 10 1/2 14	400	87⅝	+⅛	12.15
LAND SECS 9 1/2 07	200	75⅝	+1¼	13.25
LEEDS PERMANENT 9 1/4 93	50	90⅝	+⅛	13.46
MARKS & SPENCER 9 3/4 93	150	92⅛	+⅛	13.38
NORWAY 10 1/2 94	200	93½	+1	12.78
ROLLS-ROYCE 9 5/8 93	150	90⅝	+⅛	13.60
SAINSBURY 10 7/8 93	100	94	+⅛	13.73
WORLD BANK 11 1/4 95	100	95¼	+1	12.52

NEW ZEALAND DOLLAR STRAIGHTS	Issued	Bid price	Chg on week	Yield
BARCLAYS BK 13 1/4 92	50	101	−⅛	12.69
UNILEVER CAP CORP 14 92	60	101½	+⅛	12.75

FRENCH FRANC STRAIGHTS	Issued	Bid price	Chg on week	Yield
AIDC 7 7/8 93	600	93¼	+⅛	10.37
DENMARK 8 1/8 91	1000	97¼	+⅛	10.13
EURATOM 7 5/8 98	500	85⅝	+⅛	10.34

EQUITY WARRANTS	Expiry Date	Bid price	Chg on week	Prem
BRIDGESTONE CORPN	07/10/92	26⅛	−3	[illegible]
CASIO COMPUTER	16/09/92	27¼	−1	[illegible]
DAIWA HOUSE INDUSTRY	04/06/92	17⅝	−1	[illegible]
FUJITSU	20/04/93	20½	−1½	[illegible]
HINO MOTORS	05/07/94	17⅝	−1½	[illegible]
KIRIN BREWERY	23/07/92	15¼	+1½	[illegible]
MITSUBISHI EST	11/03/94	11	−1	[illegible]
MITSUI REAL ESTATE DEV	20/03/92	21⅝	−2⅝	[illegible]
NICHII	17/02/93	15½	−1	[illegible]
NIPPON MEAT PACKERS	17/09/92	14⅝	−⅞	[illegible]
NIPPON OIL	14/06/92	27	−1	[illegible]
SUMITOMO CHEM	20/01/93	11⅛	−1⅛	[illegible]
TOYO SASH	27/04/93	42⅝	−2⅞	[illegible]
TOYOTA MOTOR	15/07/92	43⅜	−1⅝	[illegible]
UNITIKA	20/07/93	14⅝	−⅞	[illegible]
YAMANOUCHI PHARM	30/06/92	13⅝	+⅛	[illegible]

BOND WARRANTS	Expiry Date	Bid price	Chg on week	Ex yld
GMAC 8 3/4 95 B	11/02/91	8		[illegible]
LASMO 9 1/2 96	12/07/92	16		[illegible]
MCDONALDS 8 10 93	01/01/93	19½		[illegible]

STRAIGHT BONDS: Yield to redemption of the bid-price. Amount issued is expressed in millions of currency units.
FLOATING RATE NOTES: US dollars unless indicated. Margin above six-month offered rate for US dollars. C.cpn = current coupon.
CONVERTIBLE BONDS: US Dollars unless indicated. Prem = percentage premium of the current effective price of buying shares via the bond over the most recent share price.
WARRANTS: Equity warrant prem = exercise premium over current share price. Bond warrant ex yld = exercise yield at current warrant price.

Closing prices on June 15

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UK COMPANY NEWS

Cost cutting is main move behind HoF profit rise

By Maggie Urry

HOUSE of FRASER, the department store group which owns Harrods the prestigious London store, claims it is beating the gloom in British streets, and seeing operating profits rise.

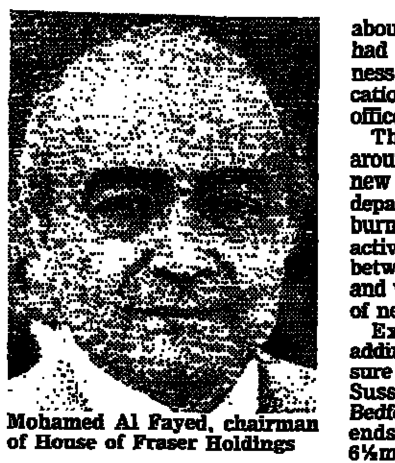
HoF, whose ownership by the Fayed family since 1985 has embroiled the group in long-running controversy, has yet to file accounts at Companies House for its latest financial year.

However, Mr David Simons, finance director, says operating profits in the latest accounting period reached £75m up from £71.9m in the same period the previous year. The figures are complicated by a change in the year end to end-January and cover a 39-week accounting period.

Mr Simons said that in the first quarter of the current year operating profits are running over 20 per cent ahead. The group was comfortably meeting key ratios in the covenants set at the time of its debt refinancing, he said.

However, Mr Robb Hampson, managing director, says the profit improvement is coming from margin gains rather than from good sales growth. In the last financial year sales were just under £1bn, and are currently flat or slightly ahead.

Mr Hampson said there was a marked regional difference in trading. He said the Northern stores were showing poor sales, though this was distorted by the delay in the summer sale which had already started by this time last year. Trade in the Midlands was good "as if there was no economic downturn" and he said he believed business in the South had bottomed out.


Mohamed Al Fayed, chairman of House of Fraser Holdings

The group is shifting the mix of its merchandise towards the fashion apparel and accessories side, where gross profit margins are higher, and away from the household goods business which has been more severely affected by high interest rates. Household goods have represented about 45 to 50 per cent of sales.

Mr Hampson said cost cutting had helped operating margins. The single largest saving had come from removing the regional head offices, saving about £5m in a full year. This had also streamlined the business allowing direct communication between stores and head office.

The group is spending around £75m on opening three new stores and re-opening two department stores which were burnt down by animal rights activists. The openings will be between August and October and will add about 300,000 sq ft of new space.

Extensions to Harrods, adding 50,000 sq ft, and the closure of small stores in Hove, Sussex, and Milton Keynes, Bedfordshire, means the year ends with a total of around 6¼m sq ft of sales area in 64 stores in the UK.

House of Fraser, which earlier this week sold its Astral Sports chain to Sears for £9m, is also contemplating the sale of Switzers, its four store chain in the Republic of Ireland. An agreement last year to sell Switzers to Ewart, a Belfast property company, fell through and a management buy-out attempt was unable to attract sufficient funds. House of Fraser said it will only sell Switzers as a going concern.

● Lonrho was given leave in the High Court on Friday to seek a judicial review of the Government's decision not to seek the disqualification of the Fayeds as company directors after publication of the Department of Trade and Industry's into House of Fraser Holdings.

Windsor's 51% stake in general insurer

By Nikki Tait

WINDSOR, the Lloyds's broker and financial services group, has acquired a 51 per cent interest in Bishopscourt Financial Holdings. Bishopscourt, a general insurance and financial planning broker, specialises in servicing professional organisations and trade unions.

The deal is being structured on an "earnout" basis. The initial consideration is £650,000 in cash. A further consideration may then be paid, depending on Bishopscourt's results in the years 1990 to 1993. The maximum deferred consideration will be £600,000 in loan notes and up to 1.5m new Windsor shares.

The vendors, meanwhile, have warranted that aggregate pre-tax profits, before extraordinary items, in the four years to end-September 1993 will be not less than £650,000. They are required to repay £1 for every £1 that aggregate profits before tax and extraordinary items fall below this figure.

In the year to end-December 1989, Bishopscourt - which started trading in 1985 - made a loss after tax of £134,000, following a £449,000 deficit in the previous 12 months. Turnover was £1.4m.

However, Windsor says that Bishopscourt completed its systems development programme last year, and that the current year has started well with turnover in the first five months showing a 45 per cent increase on the same period in the previous year.

Windsor, meanwhile, accompanied news of the acquisition with its own interim figures to end-March. These showed a pretax profit of £120,000, 31 per cent down on the £175,000 scored in first half of the previous year. Turnover, which includes brokerage and interest receivable, rose from £3.43m to £3.84m.

Earnings per share at the halfway stage were 0.139p (0.258p). As in the previous year, there is no interim dividend.

Ambitious example of financing

Jane Fuller on Labroke's mixed approach to hotel ownership

The opening next March of the Langham Hilton, which has involved the £85m resurrection of a grand old London building, will provide an ambitious example of Ladbroke's approach to financing hotels.

Ladbroke, which also owns betting shops and DIY stores, has rebuilt the 125-year-old Langham at a cost of about £200,000 for each of the 400 or so bedrooms.

Once it is open, it reckons the place will be worth about £140m, on the basis of £350,000 per room. This compares with what is thought to be the present record per room of nearly £300,000 for the smaller Londonderry in Park Lane, sold last year by Trusthouse Forte, although planning permission for an extension was included in the £45m price.

If Ladbroke follows the pattern being set at its new Hilton International hotel in Barcelona, it will sell 50 per cent of the equity in the Langham and then run it on a long-term management contract that will give it an extra tranche of the profits.

Before Ladbroke bought the Hilton International hotels chain for £645m in 1987, it followed the traditional UK pattern of owning and running its hotels. The Hilton purchase brought with it a different philosophy: less than half the 92 hotels were wholly-owned, 14 were part-owned and there were managment contracts on 34 others.


Cyril Stein, chairman of Ladbroke

This mixed approach to ownership chimed with the joint venture activity already going on in the property division.

Now selling or taking equity stakes in hotels is seen as an important way to redirect resources into overseas expansion, or as one anaylst put it, "to spread the cake more thinly, but over a wider area." At present 33 of the 144 hotels are in the UK, but that portion is being reduced.

Over the next couple of years, Ladbroke reckons that about £500m can be raised by selling stakes in the Barcelona and Langham hotels and by a series of other disposals: £90m for a large parcel of land in Guam, popular destination for Japanese honeymooners, £75m for selling the London Regents Park Hilton, £60m for some associate hotels mostly in UK and between £150m and £200m for a few other UK Hiltons.

Some of the money may be used tc reduce the 59 per cent year-end gearing (net debt of £1.4bn), but as Ladbroke says it is happy with 50 per cent, most of it should be available for overseas plans.

The potential for continuing to raise money via the equity stake route is clear from the present composition of the portfolio: 82 are wholly-owned, 19 are part-owned and 43 others are run under management contracts. Apart from the question of timing, one inhibiting factor is the loss of part of the profit to the partner; often Ladbroke retains rather less than 50 per cent.

Financially, the ultimate aim is to make the hotels division, which contributed £168m to operating profit last year, completely self-funding – counting outgoings such as interest charges, tax and dividend payments.

This would mark a departure from the pattern of cash generated by betting and the Texas Homecare chain being funnelled into the hotel division, with property as the other main absorber of funds.

However clever the plans sound, the stock has only just recovered after underperforming the FT-Actuaries All-Share index since the beginning of the year; and the group's present market value of £2.8bn, on Friday's close of 330p, falls below the £3bn-plus that it says the hotels division alone is worth.

Hanover Druce loss as business declines

A LOSS of £2.75m is reported by Hanover Druce, estate agent and property management group, for the year to February 28 compared with pre-tax profits of £2.14m. Turnover showed a marginal fall from £23m to £22.5m.

The final dividend is cut from 3.5p to 0.5p for a total of 2p (5p).

Mr Isidore Redstone, chairman, said that the commercial and hotels and leisure divisions were under similar adverse pressures to those which were affecting the residential market. *The residential* agencies were significantly affected by the low level of business in the housing market and despite some recovery were still awaiting a fall in interest rates and a return of confidence to enable them to return to profitability.

FT Share Service

The following securities were added to the Share Information Service in Saturday's edition:

Castle Cairn Inv. Co. (Ord. & Warrants) (Section: Investment Trusts).

Invergordon Distillers (Beers, Wines, Spirits).

Ratners 6.75p Conv. Cum. Red. Pref. (Drapery & Stores).

Systems Connections Group (Third Market).

Bulgin halved to £356,000

AF Bulgin, the manufacturer of electrical and electronic components, suffered a halving of pre-tax profits in the year to January 31.

The taxable result fell to £356,000 (£781,000) and was struck on turnover down at £12.39m (£12.93m) and after exceptional costs of £10,000 (£21,000). After tax of £90,000 (£249,000), earnings per stock unit were halved to 0.95p (1.9p).

The directors are proposing that the dividend for the year be maintained at 0.2p.

The company said that demand for its products had started to improve.

Bio-Isolates falls into red with £5,000 deficit

BIO-ISOLATES, involved in the design, development and exploitation of whey protein technology and the sale of whey proteins, has fallen in to the red in the year to December 31.

However, the company maintained that the results were "gratifying" considering that *some production* was lost during the fourth quarter while new sections of plant at Le Sueur Isolates were being installed and tested.

Losses before tax were £5,000, against profits of £67,000, though turnover rose to £2.23m (£2.08m).

Interest payable was up at £121,000 (£79,000). Earnings fell to 0.32p (0.55p) per share.

Sales at Le Sueur had increased since commissioning of the new plant and operating costs reduced.

The company said that research and developmentexpenditure had risen by more than 50 per cent in 1989, with much of the effort focused on improving current operations.

UK SHARE OWNERSHIP DISCLOSURE

On Friday June 1, provisions of the Companies Act 1989 came into force requiring an investor owning 3 per cent or more of a UK public company *to declare this ownership. The previous level at which disclosure had to be* made was 5 per cent. The Financial Times has been printing a summary of Stock Exchange announcements of disclosures of holdings of between 3 per cent and 5 per cent. Today's table concludes the service.

KEY

The companies in which the stakes have been disclosed are shown in bold.

For each, the names of the investors are followed by the shares they hold, in thousands, and the percentage this represents of the company's total shares outstanding.

Adscene Group
Prudential Assurance 707 (4.77%)

Albany Investment Trust
National Fund 451 (-%)

Anglia Television Group
Schroder Investment Management 1,300 (3.02%)

Apollo Metals
RX Pensions 497 (-%)

British Airways
Prudential Corporation 29,269 (4.06%)

Brown & Jackson
Gartmore Investment Management 5,109 (4.83%)
TR Corporation 4,613 (4.36%)

Capital & Regional Properties
Charterhouse Tilney 438 (3.61%)

Christie Group
Life Association of Scotland 1,066 (4.68%)

Computer People Group
Adia Finance NV 565 (4.10%)

Courtney Pope Holdings
Norwich Union Life Insurance 474 (3.36%)
Raine Industries 474 (3.38%)
Sun Life Assurance 687 (4.86%)

Davenport Vernon
Charterhouse Tilney 640 (4.84%)

Dobson Park Industries
Confederation Life Group 5,187 (4.27%)

El Oro Mining & Exploration
EW Houston 177 (3.92%)
SW Parish 171 (3.78%)

First National Finance Corporation
BAT Industries 6,934 (4.29%)

Fundinvest
Schroder 233 (3.67%)

Haden MacLellan Holdings
Gartmore Investment 3,156 (3.94%)
Schroders 2,702 (3.37%)
TSB Group 3,916 (4.89%)

Hicking Pentecost
JRSST (Investment) 228 (3.50%)
Save & Prosper Group 316 (4.80%)

Hickson International
Phillips & Drew Fund Management 4,528 (4.12%)

Kingsgrange
Barclays Bank 1,000 (3.20%)

Laser-Scan Holdings
Mars Security 8,611 (4.48%)

Locker (Thomas) Holdings
Redbird Holdings 480 (4.60%)

London International Group
Littledown Nominees 4,000 (3.01%)

M&G Dual Trust
Argosy Asset Management 211 (4.98%)

ML Laboratories
Gartmore Investment Management 1,081 (4.33%)

Scholes Group
ABB Stotz Kontakt 1,716 (4.66%)
Scottish Amicable Investment Managers 1,640 (4.46%)

Sheffield Insulations Group
Friends Provident 1,025 (4.28seready%)
Sun Alliance 790,228 (3.31%)

Simon Engineering
Norwich Union Life Insurance Society 3,402 (4.05%)

Spice
Framlington Group 1,229 (4.51%)
General Portfolio Life Insurance 1,171 (4.30%)
Mars Security 1,098 (4.03%)
Mosaic Investments 1,286 (4.72%)

Stat Plus Group
Laurence Keen 711 (3.30%)

Takare
Singer & Friedland Group 2,914 (-%)

The Exploration Company
CW Zegos 496 (4.12%)
EW Houston 600 (4.97%)
SW Parish 539 (4.47%)

Tiphook
Barclays Bank 4,101 (3.77%)

Tubular Edgington Group
Barclays Bank 2,349 (3.43%)

Vosper Thornycroft Holdings
Touche Remnant 934 (3.03%)

Warnford Investments
Barfield Nominees 1,191 (3.10%)

Western Selection
JA Whybrow & SRM Wilson 565 (3.88%)

Whittington
Williams & Glyns Nominees 1,485 (-%)

Wolstenholme Rink
Barclays Bank 221 (3.49%)

VARD

VARD a.s

(Incorporated in Norway with limited liability: No. 3500735)

Application has been made to the Council of The International Stock Exchange in London for all the A and B shares of Vard a.s to be admitted to the Official List and dealings on The International Stock Exchange are expected to commence on 21st June, 1990.

Vard is the Norwegian parent company of Kloster Cruise Limited, a cruise fleet operator. Vard's other principal activities are Larvik Line, a ferry service between Norway and Denmark, and Finanshuset, an Oslo-based financial services group.

The following table sets out the share capital of Vard a.s as at the date hereof:

	Number of shares	Nominal Value (NOK)
A shares of nominal value NOK 2.50 each	26,760,992[1]	66,902,480[1]
B shares of nominal value NOK 2.50 each	5,069,698	12,674,245
	31,830,690	79,576,725

Note:
[1] Including 1,412,500 shares held in treasury.

Listing Particulars relating to Vard a.s are available in the statistical service of Extel Statistical Services Limited. Copies of the Listing Particulars may be obtained during normal business hours (Saturdays and public holidays excepted) up to and including 20th June, 1990 from the Company Announcements Office, The International Stock Exchange, 46/50 Finsbury Square, London EC2A 1HD, and up to and including 2nd July, 1990 from:

SPONSOR AND BROKER TO THE INTRODUCTION:

Enskilda Securities
Skandinaviska Enskilda Limited
26 Finsbury Square, London EC2A 1DS

This advertisement is issued in compliance with the regulations of the Council of The International Stock Exchange. It does not constitute an invitation to any person to subscribe for or otherwise acquire any shares in Vard a.s.

18th June, 1990

This advertisement is issued in accordance with the regulations of The Stock Exchange. The Council of The Stock Exchange has agreed to admit all the existing issued Ordinary shares of 20p each and the existing issued Warrants in the Company to the Unlisted Securities Market. It is emphasised that no application has been made for these securities to be admitted to listing. It is expected that admission to the Unlisted Securities Market will become effective and that dealings in the Ordinary shares and Warrants will commence today. Monday, 18th June, 1990.

Whitegate Leisure PLC

(Incorporated in England under the Companies Act 1985. Registered Number 2188184)

INTRODUCTION TO
THE UNLISTED SECURITIES MARKET
by
LAING & CRUICKSHANK

Share Capital

Authorised No. of shares		*Issued and fully paid No. of shares*
217,500,000	Ordinary shares of 20p each	144,974,542
25,000	'A' Ordinary shares of 20p each	25,000

In addition 6,697,400 Warrants to subscribe for Ordinary shares and 14,403,536 'A' Warrants to subscribe for Ordinary shares are in issue.

Whitegate Leisure PLC is a diversified property based leisure group whose earnings are principally derived from mass market leisure operations and care homes for the elderly.

Full particulars of the Company are available through the Extel Unlisted Securities Market Service. Copies of the particulars may be obtained during normal business hours (excluding Saturdays and Public Holidays) up to and including 20th June, 1990, from The Company Announcements Office, The Stock Exchange, 48-50 Finsbury Square, London EC2 (by collection only) and up to and including 2nd July, 1990 from:

Whitegate Leisure PLC
39 King Street
London EC2V 2DQ.

Laing & Cruickshank
Broadwalk House
5 Appold Street
London EC2A 2DA.

18th June, 1990

£135,000,000

the Leeds
LEEDS PERMANENT BUILDING SOCIETY

Leeds Permanent Building Society

Floating Rate Notes Due 1998

Interest Rate $15\frac{5}{16}$% per annum
Interest Period 14th June 1990 14th September 1990
Interest Amount due 14th September 1990 per £10,000 Note £379.66

Credit Suisse First Boston Limited
Agent Bank

£200,000,000
MFC Finance No.1 PLC
Mortgage Backed Floating Rate Notes Due October 2023

In accordance with the Terms and Conditions of the Notes, notice is hereby given that the new interest rates and periods in respect of the subject Notes are as follows:–

Payment Date		Rate %	Payment Date		Rate %
Series A	1 June to 5 July '90	15.385	Series D	8 June to 12 July '90	15.405
Series B	6 June to 6 July '90	15.425	Series E	13 June to 13 July '90	15.285
Series C	7 June to 11 July '90	15.435	Series F	14 June to 13 July '90	15.215

By: Citibank, N.A. (CSSI Dept.)
June 18, 1990

CITIBANK

GLOBE INVESTMENT TRUST P.L.C.

The offer from
BRITISH COAL PENSION FUNDS

0800 666 602
FREEPHONE GLOBELINE

The Directors of Globe Investment Trust P.L.C. are the persons responsible for the information contained in this advertisement. The Directors confirm that to the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in this advertisement is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors of Globe Investment Trust P.L.C. accept responsibility accordingly.

IG INDEX

9-11 GROSVENOR GARDENS, LONDON SW1W 0BD
Tel: 071-828 7233 AFBD member

FTSE 100
June. 2408/2418 -12
Sept. 2472/2482 -12

WALL STREET
June. 2931/2943 -5
Sept. 2952/2964 -8

5pm Prices. Change from previous 9pm close

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£5,500,000
HMC MORTGAGE ASSETS
102 PLC
Class B
Mortgage Backed Floating Rate Notes due March 2021

For the Interest Period from June 14, 1990 to September 14, 1990 the Note Rate has been determined at 15.8375% per annum. The interest payable on the relevant interest payment date, September 14, 1990 will be £3,991.92 per £100,000 nominal amount.

By: The Chase Manhattan Bank, N.A.
London, Agent Bank
June 18, 1990

FINANCIAL TIMES STOCK INDICES

	June 15	June 14	June 13	June 12	June 11	June 8	1990 High	1990 Low	Since Compilation High	Since Compilation Low
Government Secs.	79.76	79.95	79.03	78.80	78.45	78.76	84.20	74.13	127.4	49.18
Fixed Interest	88.26	88.20	87.87	87.61	87.33	87.55	92.91	83.80	105.4	50.53
Ordinary	1925.9	1928.6	1933.2	1901.0	1877.9	1892.7	1968.3	1653.6	2008.6	49.4
Gold Mines	167.9	168.2	179.9	184.5	187.5	185.1	378.5	167.9	734.7	43.5
FT-Act All Share	1178.39	1182.61	1183.41	1168.08	1158.15	1166.01	1226.83	1043.16	1238.57	61.92
FT-SE 100	2392.3	2403.0	2405.4	2370.7	2348.8	2366.6	2463.7	2103.4	2463.7	986.9

WORLD STOCK MARKETS

AUSTRIA

1990 High	Low	June 15	Price Sch
5,285	2,885	Austrian Airlines	4,770
7,300	4,982	Creditanstalt	5,890
29,590	19,700	Erste Allgemeine	20,500
19,600	14,400	Jungbunzlauer	24,900
1,435	660	Laenderbank	1,210
14,230	8,350	OeMV	10,200
2,380	1,680	Perlmooser	2,070
1,218	885	Radex	1,165
3,400	2,280	Reininghaus	2,280
250	115	Steyr-Daimler	218
1,510	980	Veitscher Mag	1,082
770	425	Verbund	581
7,580	5,870	Wienerberger	5,940

BELGIUM/LUXEMBOURG

1990 High	Low	June 15	Price Frs.
5,700	3,900	Arbed	5,510
3,520	2,800	B.B.L	3,060
15,700	15,100	Bank Intl. a Lux	15,500
15,000	14,650	Banque Gen. De Lux	14,700
37,000	32,000	Banque Nat Belg	34,575
2,470	1,865	Barco	2,400
16,650	14,025	Bekaert B	14,800
9,490	6,930	Ciment CBR	9,490
6,140	5,000	Cobepa	5,740
6,030	4,950	Do. AFV 1	5,670
214	170	Cockerill	198
25,775	18,600	Colruyt	25,600
6,450	5,000	Delhaize	6,400
4,560	3,860	EBES	3,950
4,490	3,760	Do. AFV 1	3,815
544	258	Fabrique Nat	258
1,408	1,194	GIB Group	1,362
1,398	1,072	Do. AFV	1,376
4,640	3,870	GBL(Brux)L	3,960
4,630	3,815	Do. AFV 1	3,985
952	746	Gechem	890
930	702	Do. AFV	886
5,900	4,400	Generale Bank	5,250
6,100	4,655	Do. AFV 1	5,110
8,930	8,000	Gevaert	8,410
3,710	2,990	Intercom	3,155
3,660	2,900	Do. AFV 1	3,005
4,625	3,525	Kredietbank	4,105
4,650	3,700	Do. AFV	4,290
15,400	13,400	Pan Holdings	15,400
12,750	10,200	Petrofina	12,050
3,400	3,205	Raffinerie Tirle	3,205
6,850	5,000	Royale Belge	5,510
6,900	4,910	Do. AFV 1	5,880
3,505	3,030	Soc Gen Belge	3,255
3,650	3,010	Do. AFV	3,205
14,700	11,500	Sofina	13,350
15,325	12,200	Solvay	13,900
10,300	7,660	Tessenderlo	8,940
10,025	7,700	Do. AFV	9,090
9,740	7,610	Tractebel	8,410
9,500	7,510	Do. AFV 1	8,350
24,700	16,950	UCB	22,975
21,950	15,900	Do. AFV	20,500
2,645	2,060	Unerg	2,310
2,615	2,100	Do. AFV 1	2,225
9,900	8,090	Wagons Lits	9,500
8,650	6,320	Do. AFV	8,200

DENMARK

1990 High	Low	June 15	Price Kr
933	710	Baltica Hldgs	933
1,375	1,200	Carlsberg	1,340
954	906.5	Danisco	937
365 85	299.5	Den Danske Bank	333
285	233	East Asiatic	247
970	715.8	FLS Inds. B	962
955.2	790	GN Great Nordic	895
1,080	785	Hafnia Invest A	1,060
885	780	I.S.S B Systems	880
445	380	Jyske Bank	386
1,870	1,780	Lauritzen (J) B	1,850
590	440	NKT A/S	466
340	277	Novo Nordisk	322
540	490	Royal C'hagen A	515
1,325	1,120	Sophus Berendsen	1,300
5,850	4287	Superfos	5,650
1,480	1,090	TopDanmark	1,300
		Unidanmark	317

FINLAND

1990 High	Low	June 15	Price Mka
165	114	Amer	120
94.5	60	Cultor	76
26.75	17	Enso-Gutzeit R	18.2
121	81	Huhtamaki I Free	105
52.6	45	KOP	51.2
700	505	Kone	695
125	88	Kymmene	88
100	67.5	Nokia Pref Free	97
135.5	22.5	Pohjola 'B' Free	106
46	29.1	Rauma-Repola	32.5
410	384	Sampo	391
235	175	Stockmann 'B'	190
32	20.5	UBF 'C'	23.1
167.5	100	Utd. Paper Prf.	110
471.5	365	Wartsila (s11)	408

FRANCE

1990 High	Low	June 15	Price Frs.
1,018	809	Accor	989
726	561	Afrique Occiden	561
758	600	Air Liquide	747
3,180	2,317	Arjomari-Prioux	2,366
1,215	975	Auxiliare d'Ent	1,155
800	601	BIC	660
894	688	BSN	842
665	487.1	Bancaire Cie	582
489	365.5	BNP (Cert.Inv.)	430

FRANCE (continued)

1990 High	Low	June 15	Price Frs.
935	725	Beghin-Say	880
635	500	Do. Certs	630
3,490	2,695	Bongrain	3,375
683	525	Bouygues	648
1,534	1,190	CGIP	1,353
235	163.3	CMB Packaging	198
3,780	3,065	Carrefour	3,585
215	140	Casino	140
649	489	Cetelem	574
1,376	1,035	Chargeurs	1,041
1,813	1,241	Ciments Fr	1,795
788	597	Club Mediterranee	606
432	354	Cofimeg	354
486	352	Cogifi	458
640	517	CGE	624
629	343	Coparex	575
262 8	213.5	CCF	229
1,420	1,219	Cred Foncier Fr	1,306
898	650	Cred Lyonn (CI)	865
1,591	1,183	Credit National	1,463
4,330	3,150	Damart	3,151
5,770	3,680	Docks de France	3,779
643	542	Dollfus-Mieg	566
672	485	Dumez S.A.	601
2,750	2,015	Eaux (Cie Gen)	2,652
620	454	Ecco	549
1,083	880	Electrolin're	1,035
730	511	Elf-Aquitaine	660
521	406	Do. Certs	486
1,400	1,161	Epeda-Bertrand	1,174
3,020	2,400	Essilor	2,645
2,515	1,760	Eternit (Fin.)	2,248
2,690	2,005	Euralfrance	2,070
2,440	1,731	Eurocom	2,170
108.2	90	Euro Disneyland	104.3
4,920	3,611	Euromarche	3,980
2,029	1,630	Exor	1,870
221	187.3	Finextel	187.3
1,120	815	Fonciere Lyonn	1,100
2,700	2,240	Fromageries	2,400
1,715	1,201	GTM-Entrepose	1,694
1,160	850	Gaumont (Soc N)	1,060
1,409	940	Gen Geophysique	1,113
875	730	Gen.Occidentale	777
484 8	338 2	Hachette	391
698	617.5	Havas	645
375	260	Imetal	365 8
1,685	1,450	Immeubles de Fr	1,680
860	775	Immobanque	809
9,400	7,010	Industrielle	7,190
540	495	Interbail	515
1,470	1,088	Intertechnique	1,349xc
5,450	4,325	LVMH	4,365
491	314	Lafarge Coppee	463
710	540	La Henin	689
5,550	4,250	L'Oreal	5,410
4,520	3,135	Legrand	4,450
549	487	Locafrance	497
745	525	Lyonn. des Eaux	694
130.8	68.2	Maisons Phenix	124.5
420	328.5	Matra S A.	386 1
6,390	4,648	Merlin-Gerin	6,130
176.8	122.6	Michelin B	124.1
1,442	1,201	Midi (Cie)	1,292
152	112	Moulinex	119.8
2,299	1,631	Navigation Mixt	1,667
206	166.4	Nord Est	191
815	640	Nouvelle Galer	790
1,999	1,570	OFP	1,900
394	300.1	Orsan	340
714	610	Paribas	627
503	447	Paris Reescompte	447
1,850	1,490	Pechelbronn	1,506
1,340	1,077	Pernod Ricard	1,191
1,869	1,413	Perrier	1,636
919	699	Peugeot S.A	818
659	470	Poliet	630
1,240	1,121	Pretabail Sicomi	1,170
777	552	Printemps Au	673
4,560	3,655	Promodes	3,948
726	561	Radiotech	695
3,640	3,057	Redoute	3,375
485.5	376.7	Rhone-Poul (Cts)	458.1
2,379	1,870	Roussel-Uclaf	2,203
864	611	SILIC	658
1,582	1,321	Sagem	1,574
670	522	St.Gobain	555
1,618	1,395	Saint Louis	1,503
1,142	950	Sanofi	950
1,179	825	Schneider	1,025
1,380	991	Seb SA	1,310
550	500	Sefimeg	503
645	565	Simco	630
1,090	962	Skis Rossignol	1,050
629	498	Soc. Gen. de Fr	565
2,675	2,097	Sommer-Allibert	2,195
892	680	Spie-Batignolles	836
498.4	417	Suez (Fin de)	437.9
5,990	4,125	Taittinger	5,800
151.8	120.6	Thomson (CSF)	120.6
723	516	Total-Petroles Fr.	673
715	570	UAP	610
484	380	UFB Locabail	449
949	862	Unibail	880
707	637	Union Immob Fr	650
846	593	Valeo	594
489	314.3	Vallourec	314.3

GERMANY

1990 High	Low	June 15	Price Dm.
336.5	279	AEG	279
903	646	AG Ind & Verkehr	860
943	695	Aachener Muench	840
2,667	2,207	Allianz AG	2,525
492	389.2	Altana	491.9
985	629	Asko Deutsche K	925
843	520	Do. Prf.	825
324	288	BASF	288
273	232	Badenwerk	250
334.5	292.5	Bayer	292.5
462.5	360.5	Bayer-Hypo	366

GERMANY (continued)

1990 High	Low	June 15	Price Dm.
658	517.5	BMW	566
437	362	Bayer-Verein	375
864	625	Beiersdorf	834
175	128	Berliner Kraft	154
528	433	BHF-Bank	458
1,004	604	Bilfinger & Berg	879
940	580	Brown Boveri	940
1,260	990	Colonia Vers/Cn	1,160
955	725	Do. Pref	750
336 1	269.4	Commerzbank	269 4
344.5	281	Continental AG	319.9
890	704	DLW	710
935	796	Daimler-Benz	796
240	171.5	Deckel (Fr)	220
586	450	Degussa	456
253.5	193	Deutsche Babcock	197.2
850	747.5	Deutsche Bank	761.5
285	218	Didier-Werke	218
864	753	Douglas Hldgs	835
380	317	Dragerwerk	340
457	397.5	Dresdner Bank	412.5
507	398	Fag Kugelfischer	447
353	273	Gerresheimer	338
647	472	Goldschmidt (TH)	634
224	174	Hamburg Elekt	211
518	370	Hapag Lloyd	425
1649.8	1,190	Heidelberger Zem	1,190
670	548	Henkel Pref	618
438	266	Herlitz	421
1,554	970	Hochtief	1,390
319	264.8	Hoechst	265.1
371	286	Hoesch	340.2
1,690	1,057	Holzmann (P)	1,545
369	263	Horten	268
295.5	234	Industriekredit	269
495	342	Industrie Werke	387
280.5	190	Kali & Salz	260
723	602	Karstadt	642
700	580	Kaufhof	605xr
289	235	KHD	255
258 5	180	Kloeckner Werke	209xr
342	300	Kraft Werke Rh	312
1,110	850	Lahmeyer	1,090
767	625	Leifheit	760
1,040	855	Linde	976
234.5	166	Lufthansa	171
203	152	Do. N/V Pref.	157
545	410	MAN	465
419	327	Do. Pref.	351.5
408	329	Mannesman	336
970	835	Mannheimer Vers	880
799	605	Mercedes Hld	627.5
714 5	589	Metallgesell	589
2,595	2,095	Muench Rueck	2,220
363.5	258	Nixdorf	312
367	299.5	PWA	314
580	531.5	Philips Kommun.	533
1,200	848	Porsche	1,135
491	317.5	Preussag	430 5
2,850	1,960	Rheinelektra	2,785
516	404.8	Rhein West Elect	463
415	328	Do. Pref.	363
460	323	Rheinmetall Berl	445
303	232	Do. Pref	281
397.5	342	Rosenthal	346
899.5	758.8	Schering	777.5
260	168	Schmalbach-Lub	248.2
816.2	703.5	Siemens	706.5
885	628	Springer Vlg Rg	705
750	675	Sud-Chemie	715
335	270	Thyssen	270
450	381	Varta	381
492	392	Veba	411
249.2	198.8	V.E.W.	224
429	393	Verein-West	398
444	357	Viag	394
623	507	Volkswagen	591.5
534	420.5	Do. Pref.	496
809.5	635	Wella Pref.	731
368	321	Zanders Fein'per	321

ITALY

1990 High	Low	June 15	Price Lire
5,470	4,565	Banca Com'le	5,299
10,480	8,000	Banca Naz Agric	9,050
7,944	6,310	Banco Lariano	6,700
381	333	Bastogi-IRBS	345
14,750	11,551	Burgo (Cartiere)	12,810
5,790	4,420	CIR	5,721
1,490	1,263	Caffaro	1,469
4,275	3,100	Cementir	3,100
6,102	5,070	Cigahotel	6,102
4,960	4,389	Cofide	4,805
3,000	2,565	Credito Italiano	2,725
12,930	10,000	Danieli	12,550
9,998	8,000	Eridania	9 800
11,320	9,770	Fiat	10,330
7,820	6,770	Do. Priv	7,560
8,478	6,940	Fidis	8,189
64,160	53,230	Fondiaria	63,500
2,450	2,002	Gemina	2,389
44,890	37,690	Generali Assicur	44,400
5,585	4,400	Gilardini Inds.	5,479
30,680	24,400	IFI Priv.	29,800
24,500	16,600	Italcable	24,500
151,500	122,500	Italcementi	151,500
3,092	2,625	Italgas	2,953
18,025	11,280	Lloyd Adriatico	18,025
2,248	1,880	Magneti Marelli	1,985
22,500	17,430	Mediobanca	21,695
73,000	61,200	Mira-Lanza	72,000
2,108	1,765	Montedison	2,098
7,699	6,200	Olivetti	6,885
11,400	8,780	Pirelli Co	10,920
3,125	2,500	Pirelli Spa	2,905
7,999	7,055	Rinascente La	7,900
28,250	22,260	RAS	27,650
1,892	1,413	SIP	1,659
11,741	10,280	Saffa A	10,800
3,600	2,695	Saipem	2,900

ITALY (continued)

1990 High	Low	June 15	Price Lire
8,465	6,150	SASIB	8,100
14,300	12,321	Sirti Spa	14,300
2,275	1,550	SMI	2,160
3,025	2,440	Snia BPD	2,780
27,800	18,980	Toro Assicur	27,200
35,700	28,850	Tosi Franco	34,800
31,000	24,330	Unicem	31,000

NETHERLANDS

1990 High	Low	June 15	Price Fls.
42.5	33.6	ACF Holding	42.00
128.3	103.9	AEGON	127.20
146	111.8	Ahold	146.00
141.2	114.5	AKZO	123.70
41.2	36.2	ABN	36.20
63 1	53.5	AMEV	56.70
81.6	72.1	AMRO	72.10
187.3	158	Bols Lucas	179.50
94	68	Borsumij Wehry	93.00
69.9	54	Buhrmann-Tet	69.70
61.5	48.8	Center Parcs	60.30
86	72.7	Centrale Suiker	83.60
42.9	28	DAF	29.30
126.4	103.6	DSM	116.90
136.5	124.1	Dordtsche Petroleum	130.90
91.1	75	Elsevier	89.70
49.6	32.3	Fokker	47.60
104	78	Gamma	104.00
35.4	24	Gist Brocades	35.00
129.3	102	Heineken	124.20
219	169	Holl. Beton	207.00
89.9	61.6	Hoogovens	69.50
111.5	90.5	Hunter Douglas	104.80
50.5	36.1	IHC Caland	49.50
106.5	82	Int Mueller	96.00
50.2	31.9	KLM	35.90
17.8	14	Kempen	14.40
53.5	35.6	KNP	45.5
54.5	44.9	NMB Postbank	49.50
76	68.4	Nat Ned Cert	72.20
107 8	80.5	Nedlloyd	82.00
114.5	82.5	Nijverdal-Ten Ct	113.00
98	76.5	Nutricia Ver B.	98.00
63.5	53.5	Oce Grinten	59.60
44.5	34	Ommeren (Van)	44.50
199	143.2	Pakhoed	198.30
47.4	31	Philips	31.90
110.8	92.9	Robeco	100.50
82	77.8	Rodamco	81.00
109.8	90.9	Rolinco	100.80
99.4	57.1	Rorento	59.30
150 5	136.2	Royal Dutch	143.90
164.9	138.7	Unilever	157.50
57.5	42.1	VMF Stork	55.40
113.5	91.3	VNU	101.20
76.2	61.5	Wessanen	72.00
56	43.7	Wolters Kluwer	51.70

NORWAY

1990 High	Low	June 15	Price Kroner
205	134	Aker (Free)	135.00
231	191	Bergesen A	204.00
184	137	Ch'stiania Bk Free	150.00
230	117.5	Den norske Bank	147.00
148	101	Dyno Ind.	146.00
300	220	Elkem (Free)	285.00
230	166	Hafsl Nyco A Free	203.00
337.5	238	Kvaerner (Free)	325.00
395	285	Nora Indust Free	285.00
48	30	Norsk Data A	43.00
213	160	Norsk Hydro	200.50
272.73	217	Orkla Borr (Free)	250.0
143	81	Saga Pet (Free)	124.0
158	120	Storebrand (Free)	138.00

SPAIN

1990 High	Low	June 15	Price Pts.
3,895	2,850	Banco Bilbao Viz	3,050
4,950	3,995	Banco Central	4,800
3,365	3,060	Banco Exterior	3,365
3,910	2,485	Banco Hispano	3,070
9,000	6,800	Banco Popular	8,800
5,842	3,650	Banco Santander	4,650
4,975	3,010	Banesto	3,760
5,300	4,600	Bodegas Bebidas	4,850
13,360	10,000	Citroen Hispania	10,500
8,350	6,550	Corp Fin Alba	8,000
8,910	7,200	Corp. Mapfre	8,550
3,400	2,280	Dragados	3,275
3,600	3,100	Ebro	3,600
3,130	2,440	Electra Viesgo	3,100
2,270	1,590	Energia Ind Ara	1,815
1,850	1,100	Ercros	1,385
8,250	6,010	Esp Carburos Mt	7,350
1,610	1,270	Esp Acum Tudor	1,550
5,100	4,650	Fasa Renault	4,910
612	440	Fecsa	612
1,820	1,650	Hidroel Cantab.	1,770
580	460	Hidrola	515
672	575	Iberduero	664
4,640	3,960	Koipe	4,640
1,650	1,380	Metal Duro-Felg	1,560
2,430	1,740	Petroleos (Cia Esp)	2,080
26,450	18,333	Portland Vald.	25,855
2,590	2,210	Repsol	2,485
885	707	SNIACE	714
1,670	1,260	Sarrio	1,300
632	565	Sevillana Elec.	599
3,990	2,715	Tabacalera	3,905
932	800	Telefonica	843
548	430	Union Elec-Fen.	533
11,300	6,800	Union y el Fenix	8,750
3,800	2,820	Uralita	3,760
2,350	1,735	Urbis Ser.2	2,295

SWEDEN

1990 High	Low	June 15	Price Kroner
300	225	AGA B (Free)	295
267	198	Alfa-Laval B (Free)	260
820	675	Asea A Free	810
850	675	Asea B (Free)	810
595	373	Astra B (Free)	550
352	270	Atlas Copco A (Free)	350
311	225	Electrolux B (Free)	258
1,340	815	Ericsson B (Free)	1,284
235	180	Esselte B (Free)	230
173	115	Gambro B Free	167
340	255	Mo Och Dom B Free	315
160	118	Procordia B (Free)	157
275	199	Saab-Scania B Free	235
325	255	Sandvik B (Free)	310
228	158	Skandia (Free)	201
91.5	69	Skan Enskilda	83
172	134	SKF B Free	170
340	260	Stora Kopp A Free	315
130	100	Sv Cell'sa B (Free)	111
123	94.5	Svka Handelsbn	121
190	134	Trelleborg B Fr	170
453	311	Volvo B (Free)	339

SWITZERLAND

1990 High	Low	June 15	Price Frs.
2030.0	1385.0	Adia Intl	1,565
276.0	193.0	Do. Ptg.Certs.	228
1,403	1,105	Alusuisse Lonza	1,345
113	96	Do. Ptg. Certs	107
2,330	1,735	Baloise Hld Ptg	2,290
3,365	2,290	Bank Leu	2,380
415	340	Do. Ptg.	372
6,150	5,175	Brown Boveri	6,000
1,185	902	Do. Ptg.	1,140
2,710	2,150	CS Hldgs.	2,460
3,820	2,870	Ciba Geigy	3,540
3,040	2,470	Do. (PtCts)	3,030
3,540	2,800	Elektrowatt	3,530
2,080	1,655	Elvia	1,885
2,990	1,820	Fischer (Geo.)	2,220
413	245	Do. Ptg.	385
2,820	2,300	Forbo	2,770
7,125	5,280	Holderbank (Br)	7,050
5,900	4,800	Holzstoff (Br)	5,700
7,500	6,175	Jacobs Suchard	7,425
640	560	Do. Ptg.	620
2,350	1,965	Jelmoli	2,290
465	325	Do. Ptg. Certs	392
1,575	1,380	Landis and Gyr	1,420
134	103	Do Priority Ptg	129
988	760	Mag. Globus Ptg	988
3,200	2,550	Mikron (Br)	3,100
1,880	1,490	Motor-Columbus	1,820
9,240	8,250	Nestle	8,850
9,185	7,975	Do. (Reg)	8,525
1,115	825	Oer-Buhrle	1,000
1,880	1,330	Pargesa Hldg	1,570
490	384	Pirelli	486
9,050	7,725	Richemont	8,875
7,900	6,875	Roche Hldgs (Br)	7,700
4,230	3,485	Do (Genuss)	4,175
11,825	10,275	Sandoz (Br)	11,350
2,220	1,920	Do. (PtCts)	2,170
7,300	5,025	Schindler (Br)	7,050
1,410	925	Do. (PtCts)	1,390
1,020	730	Sika	1,010
5,500	4,225	Surveillance	5,500
1,300	930	Swissair	1,000
356	285	Swiss Bank	319
293	250	Do. Ptg.	281
4,000	2,780	Swiss Reinsce	3,580
658	470	Do. Ptg.	618
1,865	1,460	Swiss Volksbk	1,665
4,180	3,070	Union Bank	3,600
151	121	Do. Ptg.	142
4,600	3,200	Winterthur	4,290
767	574	Do. Ptg.	767
5,450	3,800	Zurich Ins	4,790
2,180	1,635	Do. Ptg.	2,140

SOUTH AFRICA

1990 High	Low	June 15	Price Rand
1.7	0.77	Abercom	0.8
18.75	15.75	AECI	18
82.5	55	Allied Tech	65
92.5	70	Anglo Am Coal	87
147.75	109	Anglo Am Corp	109
417	277	Anglo Am Gold	277
54.5	35.5	Barlow Rand	35.5
72.25	47	Buffels	50.25
14.3	10.2	CNA Gallo	14.3
107	61	De Beers	92.9
21	12.75	Deelkraal Gold	13
57.75	37.75	Driefontein	37.75
19.75	10.3	East Rand Gold	10.3
40.5	20.25	Elandsrand Gold	20.25
30.5	23	First Nat. Bank	30
59	29	Free State Cons Gold	29
110.5	74	Gold Fields SA	74
36.5	21.25	Hartebeest	21.25
2.84	1.99	ISCOR	2
78	47	Kinross Gold	47
46.75	31.75	Kloof Gold	31.75
11	4.7	Libanon Gold	4.75
22.5	16.25	Malcor Hldgs	18.5
12.3	8.75	Nedcor	10.55
20	15	OK Bazaars	18.65
82	47.5	Palabora Mining	75.5
15.75	12.7	Rembrandt	14.1
92	70	Rust Plat	82.5
50	30	Safmarine & Ren.	38.75
10.55	6.9	Sage Holdings	7.2
41	27	Smith (CG) Fds	31
40.75	29.75	SA Brewers	37.5
30.25	15.25	SA Mang. Amcor	28.75
30	24.5	Tiger Oats	24.5
20	16.5	Tongaat Hulett	17.8
451	265	Vaal Reefs	265
195	105	Western Deep	105

INDICES

NEW YORK

DOW JONES	June 15	June 14	June 13	June 12	1990 HIGH	1990 LOW	Since compilation HIGH	Since compilation LOW
♦Industrials	2935.89	2928.22	2929.95	2933.42	2935.89 (15/6)	2543.24 (30/1)	2935.19 (4/6/90)	41.22 (2/7/32)
Home Bonds	91.05	90.94	90.92	90.81	93.04 (3/1)	88.48 (2/5)	—	—
Transport	1193.25	1195.44	1204.56	1208.76	1212.77 (6/6)	1031.83 (30/1)	1532.01 (5/9/89)	12.32 (8/7/32)
Utilities	211.71	213.09	213.97	215.04	236.23 (2/1)	203.09 (30/4)	236.23 (2/1/90)	10.50 (8/4/32)

♦Day's High 2947.77 (2943.56) Low 2902.72 (2902.97)

STANDARD AND POOR'S	June 15	June 14	June 13	June 12	1990 HIGH	1990 LOW	Since compilation HIGH	Since compilation LOW
Composite ‡	362.91	362.91	364.90	366.25	367.40 (4/6)	322.98 (30/1)	367.40 (4/6/90)	4.40 (1/6/32)
Industrials	425.01	424.51	426.27	427.42	428.34 (4/6)	371.92 (30/1)	428.34 (4/6/90)	3.62 (21/6/32)
Financial	29.90	29.94	30.43	30.75	31.87 (5/1)	26.59 (27/4)	35.24 (9/10/89)	8.64 (1/10/74)
NYSE Composite	197.86	197.98	199.00	199.66	200.21 (4/6)	178.43 (30/1)	200.21 (4/6/90)	4.46 (25/4/42)
Amex Mkt. Value	364.03	364.30	365.04	364.31	382.45 (5/1)	342.64 (24/4)	397.03 (10/10/89)	29.31 (9/12/72)
NASDAQ Composite	467.55	467.10	468.86	466.56	468.86 (13/6)	410.72 (30/1)	485.73 (9/10/89)	54.87 (31/10/72)

	June 8	May 25	May 18	year ago (approx.)
Dow Industrial Div. Yield	3.71	4.01	3.99	3.52

	June 13	June 6	May 30	year ago (approx.)
S & P Industrial div. yield	2.90	2.91	2.93	3.14
S & P Indl. P/E ratio	17.07	17.01	16.89	12.84

NEW YORK ACTIVE STOCKS

Friday	Stocks traded	Closing price	Change on day
Exxon	3,016,400	47⅞	- ¼
Gen Electric	2,701,200	70⅛	+ ½
Am T & T	2,630,900	42⅛	+ ⅜
Wendy's Intl	2,431,800	6⅞	- ⅜
Utd Telecomms	2,399,200	39⅞	- 1
Du Pont	2,339,700	40	+ ⅛
Philip Morris	2,323,600	44	- ⅛
Coca Cola	2,223,900	45	+ ½
Gen Motors	2,162,400	50⅛	+ ⅜
IBM	2,111,900	120⅛	- ½

TRADING ACTIVITY

† Volume Millions	June 15	June 14	June 13
New York	205.130	135.770	158.910
Amex	12.070	10.118	12.689
NASDAQ	(u)	155.172	163.547
Issues Traded	1,993	1,964	1,992
Rises	611	552	711
Falls	834	907	774
Unchanged	548	505	507
New Highs	38	37	54
New Lows	29	29	26

CANADA

TORONTO	June 15	June 14	June 13	June 12	1990 HIGH	1990 LOW
Metals & Minerals	3217.70	3229.20	3250.70	3241.40	3453.05 (4/1)	2850.80 (23/4)
Composite	3569.10	3577.11	3605.71	3607.70	4009.47 (3/1)	3334.20 (1/5)
MONTREAL Portfolio	1856.41	1859.94	1875.24	1875.24	2060.90 (3/1)	1720.25 (27/4)

Base values of all indices are 100 except NYSE All Common—50; Standard and Poor's—10; and Toronto Composite and Metals—1000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds.‡ Industrial, plus Utilities, Financial and Transportation. (c) Closed. (u) Unavailable. † Correction.

	June 15	June 14	June 13	June 12	1990 HIGH	1990 LOW
AUSTRALIA						
All Ordinaries (1/1/80)	1502.5	1503.1	1510.6	1501.5	1713.7 (2/1)	1434.5 (30/4)
All Mining (1/1/80)	719.9	726.1	731.4	721.7	860.8 (3/1)	715.5 (25/5)
AUSTRIA						
Credit Aktien (30/12/84)	566.14	(c)	571.13	572.39	763.29 (19/3)	526.99 (2/1)
BELGIUM						
Brussels SE (Cash Mkt) (1/1/80)	6284.73	6309.73	6305.45	6320.53	6599.43 (12/1)	5868.16 (26/2)
DENMARK						
Copenhagen SE (3/1/83)	382.50	382.64	380.16	377.55	382.50 (15/6)	352.96 (2/4)
FINLAND						
Unitas General (1975)	571.2	570.2	570.4	572.6	673.3 (2/1)	562.2 (11/5)
FRANCE						
CAC General (31/12/82)	543.42	543.16	542.86	540.62	564.67 (30/5)	487.96 (26/2)
CAC 40 (31/12/87)	2011.67	2028.66	2025.59	2005.82	2129.32 (30/5)	1808.32 (26/2)
GERMANY						
FAZ Aktien (31/12/58)	754.24	(c)	760.19	770.23	830.92 (3/4)	732.71 (26/2)
Commerzbank (1/12/53)	2187.7	(c)	2190.0	2220.2	2414.3 (3/4)	2151.5 (26/1)
DAX (30/12/87)	1792.26	(c)	1797.39	1800.36	1968.55 (30/3)	1756.40 (24/1)
HONG KONG						
Hang Seng Bank (31/7/64)	3201.52	3192.56	3185.24	3253.00	3253.00 (12/6)	2738.26 (1/2)
IRELAND						
ISEQ Overall (4/1/88)	1724.67	1725.60	1724.51	1716.25	1893.10 (22/1)	1582.61 (2/5)
ITALY						
Banca Com. Ital. (1972)	757.57	763.52	754.49	754.62	763.52 (14/6)	646.73 (26/2)
JAPAN						
Nikkei (16/5/49)	32538.40	32668.11	32371.77	32322.11	38712.88 (4/1)	28002.07 (2/4)
Tokyo SE (Topix) (4/1/68)	2396.32	2399.97	2376.41	2380.56	2867.70 (4/1)	2069.82 (3/4)
2nd Section (4/1/68)	4153.60	4195.99	4086.12	4064.80	4294.68 (9/2)	3313.92 (2/4)
MALAYSIA						
KLSE Composite (4/4/86)	575.52	576.16	579.36	581.59	622.20 (20/2)	518.53 (2/5)
NETHERLANDS						
CBS Tti Rtn.Gen (End 1983)	265.7	266.9	267.4	265.7	269.0 (3/1)	240.1 (26/2)
CBS All Shr (End 1983)	198.0	198.9	199.2	198.0	206.3 (3/1)	184.2 (26/2)
NORWAY						
Oslo SE (Ord) (2/1/83)	835.02	835.36	838.41	839.52	859.05 (5/6)	705.67 (2/1)
PHILIPPINES						
Manila Comp (2/1/85)	887.96	861.40	855.76	(c)	1160.70 (21/2)	748.31 (6/6)
SINGAPORE						
SES All-Singapore (2/4/75)	432.21	431.60	433.55	435.08	443.34 (5/6)	402.34 (30/4)
SOUTH AFRICA						
JSE Gold (28/9/78)	1345.0	1370.0	1464.0	1507.0	2230.0 (16/1)	1345.0 (15/6)
JSE Industrial (28/9/78)	2932.0	2942.0	2936.0	2931.0	3211.0 (6/2)	2798.0 (25/4)
SOUTH KOREA**						
Korea Comp Ex. (4/1/80)	770.77	772.20	780.56	784.97	928.82 (4/1)	688.66 (30/5)
SPAIN						
Madrid SE (30/12/85)	284.23	285.45	286.16	286.29	302.85 (4/1)	248.17 (2/4)
SWEDEN						
Affarsvariden Gen (1/2/37)	1272.3	1270.9	1274.7	1275.3	1317.88 (12/1)	1127.20 (2/4)
SWITZERLAND						
Swiss Bank Ind. (31/12/58)	819.7	820.7	819.1	815.8	925.1 (5/1)	737.6 (27/3)
TAIWAN**						
Weighted Price (30/6/66)	5855.82	6092.32	6523.32	6723.22	12495.34 (10/2)	5855.82 (15/6)
THAILAND						
Bangkok SET (30/4/75)	982.44	978.43	994.62	1016.66	1033.52 (6/6)	760.39 (7/2)
WORLD						
M.S. Capital Intl. (1/1/70)	(u)	521.5	520.3	529.4	571.0 (4/1)	468.3 (25/4)

**Saturday June 9: Taiwan Weighted Price 6098.16 Korea Comp Ex 799.12

♦ Subject to official recalculation

Base values of all indices are 100 except: Brussels SE, ISEQ Overall and DAX - 1,000; JSE Gold - 255.7; JSE 20 Industrials - 264.3 and Australia All Ordinary and Mining - 500. (c) Closed. (u) Unavailable.

TOKYO - Most Active Stocks

Friday June 15 1990

	Stocks Traded	Closing Prices	Change on day		Stocks Traded	Closing Prices	Change on day
Nippon Oil	16.6m	1,430	+10	Nippon Steel	6.2m	600	-2
NHI	13.6m	1,070	0	Sharp	5.9m	1,880	-20
NKK	10.1m	685	+5	Citizen Watch	5.9m	1,130	0
Dainippon Phrm	7.9m	3,210	+400	Toshiba	4.8m	1,110	-10
Kirin Brewery	7.9m	1,920	+30	Itoman Co	4.6m	1,510	+20

JAPAN

1990 High	Low	June 15	Price Yen
2,840	1,840	Ajinomoto	2,090
1,200	630	Akebono Brake	990
2,160	1,500	All Nippon Air	1,740
2,370	1,890	Alps Electric	2,260
2,230	1,340	Amada	1,780
2,430	1,800	Amano	2,370
1,790	1,020	Ando Construct	1,540
2,960	2,350	Anritsu	2,740
1,450	999	Aoki Corp.	1,210
14,900	7,450	Arabian Oil	9,640
2,100	1,590	Asahi Breweries	1,920
1,240	795	Asahi Chemicals	915
2,380	1,580	Asahi Glass	1,870
1,150	750	Asahi Optical	900
1,010	541	Asics Corp.	810
1,700	1,410	Atsugi Nylon	1,640
1,970	1,200	Bank Tokyo	1,520
1,720	1,190	Banyu Pharm	1,330
1,740	1,300	Bridgestone	1,520
1,070	646	Brother Inds	930
6,400	5,350	CSK Corp.	5,940
1,770	1,050	Calpis Food	1,420
1,300	755	Calsonic Corp.	1,000
1,880	1,400	Canon	1,780
4,800	3,700	Canon Sales	4,760
1,740	1,280	Casio Computer	1,600
1,360	800	Central Finance	875
1,020	572	Central Glass	856
1,700	1,010	Chiba Bank	1,190
2,690	1,500	Chiyoda Chem	2,580
1,410	801	Chiyoda Fire	1,040
4,970	2,860	Chubu Elect Pwr	3,400
2,150	1,600	Chugai Pharm	1,860
3,990	2,490	Chugoku El Power	3,090
1,130	806	Citizen Watch	1,130
1,140	700	Daicel Chemical	995
2,980	2,200	Daiichi Seiyaku	2,500
1,250	600	Daido Steel	958
3,050	1,710	Daiei	2,160
2,690	1,690	Daifuku	2,690
3,180	2,160	Dai Ichi Kan Bank	2,360
2,160	1,400	Daikin Inds	1,870
4,350	2,600	Daikyo Kanko	3,540
1,770	969	Daimaru	1,390
947	579	Dai Nippon Ink	710
3,210	2,360	Dai Nippon Phar	3,210
2,390	1,650	Dai Nippon Ptg	1,930
1,070	485	Dai Nippon Toryo	803
3,480	3,060	Daishowa Paper	3,400
1,550	880	Dai Tokyo F&M	1,140
1,720	1,340	Daiwa Bank	1,490
2,770	1,860	Daiwa House	2,470
2,360	1,330	Daiwa Sec	1,550
4,770	3,190	Denny's	3,700
1,240	630	Diesel Kiki	1,030
1,470	810	Dowa Fire & Mar	1,120
1,550	680	Dowa Mining	981
2,230	1,550	Ebara	2,070
2,320	1,630	Eisai	1,900
1,650	956	Ezaki Glico	1,280
8,590	6,820	Fanuc	7,100
1,460	900	Fudo Construct	1,240
3,610	2,450	Fuji Bank	2,660
1,260	830	Fuji Electric	1,030
4,630	3,550	Fuji Film	4,160
1,630	800	Fuji Fire & Mar	1,190
949	564	Fuji Heavy Ind	712
1,320	715	Fujikura	983
2,390	1,700	Fujisawa	2,050
937	580	Fuji Spinning	781
5,070	3,100	Fujita Tourist	4,200
1,640	1,180	Fujitsu Ltd	1,410
1,160	620	Furukawa Elect	920
3,370	1,510	Gakken	2,250
1,930	1,000	Gen Sekiyu	1,360
2,420	1,680	Godo Shusei	1,820
2,280	1,670	Green Cross	1,820
1,760	1,060	Gun-Ei Chem	1,620
1,370	825	Gunze	1,080
1,450	790	Hankyu Corp	990
1,280	654	Hanshin El Rail	831
1,650	1,070	Haseko	1,310
6,080	4,540	Hattori Seiko	5,000
1,540	1,070	Hazama-Gumi	1,440
2,310	1,270	Heiwa Real Est	1,510
1,300	950	Hino Motors	1,100
6,830	4,990	Hirose Electric	6,760
1,360	900	Hiroshima (Bank)	1,070
1,710	1,390	Hitachi	1,540
1,320	920	Hitachi Cable	1,190
2,000	1,220	Hitachi Credit	1,620
2,400	1,830	Hitachi Koki	2,310
3,620	3,000	Hitachi Maxell	3,250
1,740	1,130	Hitachi Metals	1,620
1,300	820	Hitachi Sales	1,060
914	696	Hitachi Zosen	865
4,100	2,480	Hokkaido Elect.	3,100
1,600	970	Hokkaido Takush	1,170
4,190	2,330	Hokuriku El Pwr	3,120
1,910	1,530	Honda	1,750
2,750	1,340	Honshu Paper	2,570
2,770	1,800	House Food Ind	2,280
3,950	2,760	Hoya	3,080
1,480	851	IHI	1,110
1,350	817	Ihara Chemical	1,060
2,200	1,690	Ikegami Tsush	2,090
1,960	1,520	Inax	1,740
6,520	3,120	Ind Bank Japan	4,220
1,300	800	Iseki & Co.	1,140
4,850	3,140	Isetan	4,480
940	564	Ishihara Sangyo	815
1,160	595	Isuzu Motors	1,070
1,290	680	Itoh(C)	890
1,530	985	Itoham Foods	1,150
1,620	1,080	Itoman & Co.	1,510
4,680	3,400	Ito Yokado	4,000
1,300	950	Iwatsu Electric	1,300
4,030	2,340	Izumiya	2,710
2,960	2,100	JGC Corp.	2,700
1,590	1,020	J E O L	1,500
4,720	3,230	Janome Sew Mach	4,720
19,000	13,200	JAL	18,500
[illegible]	890	Japan Metals	1,770
3,030	2,460	Japan Radio	2,990
1,150	560	Japan Steel Wks	856
1,350	811	Jap S Battery	1,100
1,480	681	Japan Synth Rbr	1,040
3,240	1,920	Japan Wool	2,460
1,180	670	Jujo Paper	842
3,030	1,620	Jusco	2,250
1,990	1,450	Kagome	1,800
2,180	1,510	Kajima	1,980
2,990	1,470	Kaken Pharm	2,100
4,260	3,350	Kandenko	3,860
932	560	Kanebo	739
1,150	755	Kanegafuchi Chm	973
1,380	775	Kanematsu Corpn.	960
4,960	2,930	Kansai Elect Power	3,640
1,520	840	Kansai Paint	1,220
1,800	1,290	Kao Corp	1,600
2,380	1,660	Kashiyama	2,140
1,100	630	Kawasaki Heavy	940
1,150	614	Kawasaki Kisen	901
829	490	Kawasaki Steel	601
1,800	960	Keihin Elec Exp	1,150
1,650	960	Keio Teito Elec	1,090
1,720	1,090	Kikkoman	1,360
3,810	3,300	Kinki Elec Cons	3,370
1,540	960	Kinki Nippon Rl	1,030
2,040	1,420	Kirin Brewery	1,920
824	485	Kobe Steel	600
3,570	2,800	Koito Mfg	3,400
5,400	3,710	Kokusai Electric	5,200
4,710	3,680	Kokuyo	4,120
1,380	910	Komatsu	1,190
1,750	950	Konica	1,630
4,750	3,420	Korakuen	3,660
1,560	1,100	Koyo Seiko	1,350
1,280	825	Kubota	1,010
1,450	990	Kumagai-Gumi	1,200
1,430	841	Kumiai Chemical	1,050
1,040	550	Kurabo Inds.	1,000
1,810	1,290	Kuraray	1,550
1,240	790	Kureha Chemical	929
2,340	1,630	Kurita Water	2,290
1,370	802	Kurosaki Refrac	1,010
8,090	5,460	Kyocera	8,000
1,070	490	Kyodo Shiryo	845
2,440	1,850	Kyotaru	2,200
1,500	950	Kyowa Bank	1,230
1,850	1,130	Kyowa Hakko	1,360
4,050	2,550	Kyushu Electric	3,090
1,290	806	Lion	1,010
27,600	16,400	Long Term Cred.	20,000
2,130	1,750	Maeda Corp	1,970
1,900	1,200	Makino Milling	1,880
3,010	2,480	Makita Elect Wk	2,740
1,170	600	Marubeni	795
1,700	1,020	Marudai Food	1,270
3,640	2,450	Marui	3,120
2,450	1,800	Maruichi Steel	2,120
2,390	1,860	MEI	2,170
2,240	1,800	Matsu Elect. Wks.	2,070
2,700	1,960	Matsushita Koto	2,510
1,830	1,370	Matsushita Refrig	1,580
1,000	710	Mazda Motors	920
1,130	701	Meiji Milk	878
1,220	790	Meiji Seika	921
3,170	2,500	Mikuni Coca Cola	3,120
1,260	941	Minebea	1,030
1,150	885	Minolta Camera	970
3,230	2,040	Misawa Homes	2,640
3,210	2,250	M'bishi Bank	2,470
1,690	980	M'bishi Belting	1,330
1,990	1,120	M'bishi Corp	1,520
1,150	840	M'bishi Elec	981
2,470	1,440	M'bishi Estate	1,580
1,060	570	M'bishi Gas Chem	820
1,160	792	MHI	1,070
1,030	630	M'bishi Kasei	778
1,200	678	M'bishi Metal	908
980	540	M'bishi Min Cmt	824
1,700	835	M'bishi Oil	1,210
1,300	769	M'bishi Paper	870
1,480	900	M'bishi Petchem	1,150
1,010	580	M'bishi Plastics	950
896	550	M'bishi Rayon	720
2,510	990	M'bishi Steel	1,670
3,030	1,700	M'bishi Tst	2,010
2,300	1,490	M'bishi Warehse.	1,750
1,380	815	Mitsui Co.	980
1,050	687	Mitsui Eng Ship	985
992	519	Mitsui Mng & Sm	798
1,160	639	Mitsui Osk Line	879
1,720	920	Mitsui Petchem	1,170
2,860	1,530	Mitsui Real Estate	1,900
2,690	1,950	Mitsui Taiyo Kobe	2,260
1,000	580	Mitsui Toatsu	712
2,050	1,470	Mitsui Tst & Bkg	1,560
1,900	870	Mitsui Warehse	1,330
2,720	1,570	Mitsukoshi	1,880
1,640	1,040	Mitsumi Elect	1,590
1,240	729	Miyaji Iron Wks	990
2,020	1,480	Mizuno Sporting	1,800
5,070	3,400	Mochida Pharm	3,950
1,050	560	Morinaga Milk	905
4,600	3,080	Mori Seiki	4,170
3,070	2,320	Murata Mfg	3,030
2,250	1,740	NEC	2,010
1,730	1,250	NGK Insulators	1,540
1,660	1,200	NGK Spark Plug	1,660
1,030	541	NHK Spring	795
785	465	NKK Corp.	685
1,640	800	NOK Corp.	1,300
1,220	775	NTN Toyo Brg	1,020
1,230	748	Nachi Fujikoshi	1,040
5,090	3,230	Nagasakiya	4,200
1,610	900	Nagase	1,360
1,500	870	Nagoya Railroad	1,000
2,250	1,520	National House	1,790
3,080	1,670	Nichii	2,330
1,460	910	Nichirei	1,100
1,220	800	Nihon Cement	1,100
1,150	468	Nihon Nosan	778
1,520	995	Nihon Parkeriz.	1,520
1,050	555	Niigata Eng	898
1,880	1,140	Nikko Sec	1,310
1,700	1,130	Nikon Corp.	1,640
18,400	13,500	Nippon Cred Bnk	16,900
1,220	609	Nippon Denko	950
2,510	1,930	Nippon Denso	2,250
3,830	2,400	Nippon Elect Gl	2,510
1,720	945	Nippon Express	1,140
1,780	829	Nippon Fire	1,260
1,150	729	Nippon Flour	834
3,300	2,650	Nippon Hodo	3,020
1,500	980	Nippon Kayaku	1,140
1,010	660	Nippon Lt Metal	986
2,290	1,480	Nippon Meat Pack	1,770
1,130	608	Nippon Mining	1,030
1,910	990	Nippon Oil	1,430
1,370	804	Nippon Paint	1,120
2,120	1,610	Nippon Road	1,870
1,110	580	Nippon Sanso	907
1,390	900	Nippon Seiko	1,100
1,930	1,300	Nippon Sharyo	1,660
1,230	790	Nippon Sh Glass	897
1,720	1,000	Nippon Shinpan	1,160
2,200	1,470	Nippon Shinyaku	1,900
1,320	600	Nippon Soda	1,040
1,220	848	Nippon Stainless	1,160
791	485	Nippon Steel	600
1,040	600	Nippon Suisan	789
37,400	27,500	Nippon TV	34,800
1,250	640	Nippon Yakin	955
1,200	759	Nippon Yusen	900
1,170	657	Nippon Zeon	923
1,520	1,190	Nishimatsu Cons	1,370
1,230	635	Nissan Diesel	982
1,480	979	Nissan Motor	1,150
2,680	2,100	Nissei Sangyo	2,680
1,980	1,400	Nisshin Flour	1,650
1,460	1,020	Nisshin Oil	1,280
1,870	1,160	Nisshinbo Inds.	1,320
1,230	610	Nissho Iwai	888
1,660	1,350	Nissin Electric	1,620
4,290	2,740	Nissin Food	3,340
1,720	1,310	Nitsuko	1,590
969	560	Nitto Boseki	785
2,320	1,400	Nitto Denko	1,720
3,430	2,080	Nomura	2,360
1,910	1,400	Noritake	1,630
1,760	960	Odakyu Elec Rly	1,220
1,760	1,280	Ohbayashi-Gumi	1,650
1,730	971	Oji Paper	1,140
1,240	929	Oki Electric	1,010
1,820	1,430	Okuma Mach	1,760
1,960	1,560	Okumura-Gumi	1,910
1,700	1,290	Olympus	1,590
3,670	2,620	Omron Corp.	2,750
1,110	660	Onoda Cement	840
6,340	4,490	Ono Pharm	5,780
1,860	1,060	Orient Corp	1,330
6,770	3,600	Orix Corp.	4,830
887	520	Osaka Gas	670
1,420	970	Penta Ocean Con	1,270
6,800	5,580	Pioneer	6,290
1,130	560	Prima Meat Pack	799
1,380	890	Renown	1,050
2,518	1,650	Restaurant Seibu	2,240
1,330	1,030	Ricoh	1,120
3,090	2,190	Royal Co	2,650
1,100	555	Ryobi	978
1,870	1,130	Saitama Bank	1,370
1,440	820	Sanden	1,260
2,920	2,010	Sankyo	2,630
1,530	1,040	Sanraku	1,350
7,600	4,400	Sanrio	7,300
2,770	2,080	Sanwa Bank	2,260
2,700	1,430	Sanwa Shutter	2,180
1,060	758	Sanyo Elect	965
1,100	537	Sanyo Kokusaku	733
2,040	1,400	Sapporo	1,600
6,660	5,600	Secom	6,300
7,790	4,200	Seibu Railway	5,260
2,660	1,630	Seino Transport	1,990
3,120	1,710	Seiyu	2,330
1,770	1,150	Sekisui Chem	1,500
2,450	1,650	Sekisui House	1,990
1,380	856	Settsu	1,250
11,000	6,640	Seven-Eleven	7,950
1,960	1,640	Sharp	1,880
3,920	2,360	Shikoku El Pwr	3,120
2,220	1,630	Shimizu Corp.	2,100
1,900	1,440	Shin-Etsu Chem	1,750
1,810	1,330	Shionogi	1,600
2,520	1,800	Shiseido	2,410
5,630	4,010	Shochiku	4,750
1,470	781	Shokusan Jutaku	1,170
1,230	805	Showa Aluminium	1,050
1,090	603	Showa Denko	750
1,280	798	Showa Elec Wire	1,000
1,060	600	Showa Sangyo	915
1,750	1,030	Showa Shell Sek	1,260
3,370	2,450	Skylark	2,940
1,400	889	Snow Brand Milk	1,090
8,800	7,330	Sony	8,510
1,240	875	Stanley Electric	1,190
968	570	Sumitomo B'lite	795
3,630	2,340	Sumitomo Bank	2,510
943	566	Sumitomo Cement	790
925	585	Sumitomo Chem	683
1,730	1,020	Sumitomo Corp	1,270
1,790	1,320	Sumitomo Elect	1,540
1,110	677	Sumitomo Heavy	969
939	484	Sumitomo Light M	804
1,570	871	Sumitomo Marine	1,100
845	480	Sumitomo Met In	598
2,270	1,230	Sumitomo Met Mng	1,570
2,110	1,270	Sumitomo Realty	1,650
2,800	1,680	Sumitomo Tr & Bk	1,930
1,470	799	Sumitomo W'hse	1,050
1,020	662	Suzuki Motor	928
7,060	5,400	TDK	6,760
1,580	1,070	Taisei Corp	1,350
1,570	880	Taisho Marine	1,090
2,800	2,150	Taisho Pharm	2,350
984	485	Taiyo Fishery	703
1,450	900	Takaoka Elect.	1,260
1,160	769	Takara Shuzo	949
4,100	2,700	Takashimaya	3,020
2,400	1,650	Takeda	1,750
1,790	1,200	Tanabe Seiyaku	1,400
979	640	Teijin	759
1,840	961	Teikoku Oil	1,190
1,900	1,370	Tekken Constr.	1,560
1,280	930	Toa Harbour Wks	1,090
1,890	1,400	Tobishima	1,780
1,680	905	Tobu Railway	1,110
1,880	950	Toei Co.	1,290
51,300	29,700	Toho	37,600
4,030	2,510	Tohoku Electric	3,040
2,580	1,570	Tokai Bank	1,770
1,190	551	Tokai Carbon	891
1,250	711	Tokico	974
2,130	1,280	Tokio Marine	1,480
1,040	600	Tokuyama Soda	806
3,320	2,560	Tokyo B'casting	3,090
6,050	3,600	Tokyo Electric Pwr	4,580
4,650	3,310	Tokyo Electron	4,510
1,140	670	Tokyo Gas	793
1,610	1,110	Tokyo Rope	1,350
5,870	3,130	Tokyo Steel	4,390
2,990	1,520	Tokyo Style	2,420
3,750	1,700	Tokyu Car	2,510
2,650	1,350	Tokyu Corp	1,900
1,500	830	Tokyu Land	1,080
2,230	1,360	Tonen Corp	1,620
2,270	1,640	Toppan Print	1,810
1,030	688	Toray	799
1,310	970	Toshiba Elect	1,110
1,750	1,360	Toshiba Eng Con	1,720
1,440	935	Toshiba Machinery	1,240
1,930	1,300	Toshoku	1,730
940	571	Tosoh Corp	759
2,800	1,970	Toto	2,170
1,270	739	Toyo Construct	1,040
3,370	2,450	Toyoda Aut Loom	3,080
1,030	600	Toyo Ink	825
1,790	1,050	Toyo Jozo	1,460
1,470	1,010	Toyo Kanetsu	1,270
3,890	3,100	Toyo Seikan	3,880
2,610	2,010	Toyota Motor	2,550
1,850	879	Toyo Tire	1,350
1,300	750	Tsubakimoto Chn	1,250
1,480	960	Tsugami	1,380
890	500	UBE Inds	675
889	495	Unitika	704
3,060	2,500	Victor	2,590
1,720	1,250	Wacoal	1,510
2,190	1,610	Yamaha Corp	1,960
1,430	985	Yamaha Motor	1,170
1,880	1,150	Yamaichi Sec	1,350
3,580	2,560	Yamanouchi	3,030
3,150	2,250	Yamatake H'ywell	2,990
2,350	1,500	Yamato Kogyo	1,970
1,860	1,150	Yamato Trans	1,340
2,290	1,470	Yamazaki Baking	1,800
1,700	910	Yasuda Fire	1,110
1,300	929	Yasukawa Elect.	1,060
1,840	1,430	Yokogawa Elect	1,660
1,700	1,080	Yokohama Bank	1,330
1,460	1,020	Yokohama Rubber	1,330
4,300	2,120	Yomiuri Land	2,830
1,960	1,550	Yoshitomi Pharm	1,860
1,630	920	Yuasa Battery	1,360

AUSTRALIA

1990 High	Low	June 15	Price Aust$
1.96	1.48	AFP	1.72
1.12	0.6	AWA	0.60
5.1	4.2	Aberfoyle	5.02
6.56	4.3	Adelaide Steams	5.36
4.44	3.93	Amcor	4.23
2.6	2.05	Ampol Expl	2.32
6	4.65	Arnotts	5.00
1.76	1.37	Ashton	1.74
6.38	4.62	ANZ Group	4.82
1.92	1.5	Aust. Gas Light	1.80
1.73	1.45	Aust Nat Inds	1.59
10.15	8.74	BHP	9.30
0 68	0.35	BHP Gold	0.37
3.09	2.51	BTR Nylex	2.77
0.13	0.13	Bond Corp Hldgs	0.13
4.01	3.15	Boral	3.40
1.47	0.75	B'ville Copper	1.01
14.5	12.1	Brambles Inds	14.00
0.98	0.66	Bridge Oil	0.66
1.6	1.12	Brierley Invs	1.33
4.45	3.75	Bundaberg Sugar	3.85
3.75	2.84	Burns Philp	3.31
12.5	10.95	CRA	12.05
5.7	4.71	CSR	5.20
2.75	2.1	Caltex Aust.	2.65
10.05	8.3	Coal Allied Ind	10.00
12.8	9.42	Coca Cola Amatil	11.25
8.46	7.12	Coles Myer	7.66
4.32	3.7	Comalco	4.15
5	4.85	C'wealth Ind Gas	4.95
1.15	0.85	Crusader	0.85
2.09	0.85	Dominion Mng	0.85
2.42	1.68	Elders IXL	1.79
3.95	3.03	Email	3.31
2.38	1.9	Energy Res	2.12
2.83	1.4	FAI Insurances	1.90
3.45	2.9	Fletcher Chllnge	3.20
2.77	2.48	Gen Prop Trust	2.67
1.93	1.38	Goodman Fielder	1.64
2.62	2.18	Hardie (J)	2.59
6.26	4.4	ICI Aust	4.70
2.25	1.65	Jennings Group	1.80
12.4	7.6	Jones (David)	8.50

AUSTRALIA (continued)

1990 High	Low	June 15	Price Aust$
3.8	2.37	Kidston Gold	2.37
14.05	12.2	Lend Lease	13.05
2.5	1.99	MIM	2.28
6.8	5.44	Mayne Nickless	5.70
2.95	2.05	Metal Manuf	2.30
1	0.8	Minproc Hldgs	0.85
6.84	6.08	Nat Aust. Bank	6.48
1.22	0.83	Newmont Aust.	0.86
14.85	9.6	News Corp	11.50
3.04	2.15	N Bkn Hill Peko	2.42
0.85	0.7	Oakbridge	0.81
5.46	4.5	Pacific Dunlop	5.00
2.4	1.82	Pancont'l	1.96
2.5	1.95	Pasminco	2.19
2.66	1.97	Pioneer Intl.	2.36
3.65	2.64	Placer Pacific	2.64
3.12	2.05	Poseidon	2.35
1.59	1.35	QCT Resources	1.43
9.86	8.26	Renison Gldflds	8.90
9.7	7.5	Rothmans Aust.	9.60
2.56	2.2	SA Brewing	2.50
4.65	4.1	Santos	4.16
6.1	5	Smith (H.)	5.40
2.05	1.88	Stockland Tst.	1.98
2.97	2.35	TNT	2.69
4.4	3.38	Wesfarmers	3.50
6.86	4.25	Western Mining	4.64
2.45	1.92	Westfield Hldg	2.24
1.71	1.53	Westfield Tst.	1.71
6.1	4.56	Westpac	4.56
3.4	2.76	Woodside Petrol	2.86
2.95	2.22	Wormald Intl	2.83

HONG KONG

1990 High	Low	June 15	Price H.K.$
3.12	2.45	Amoy Props.	3.05
15.2	13.2	Bank East Asia	14.80
9.5	7.85	Cathay Pacific	9.20
12.5	9.4	Cheung Kong	12.30
14.3	11.9	China Light	14.30
24.8	22.1	China Motor	23.70
15.8	14.2	Cross H'bour Tnl	14.40
2.02	1.34	Dao Heng Hldgs	1.97
4.05	2.52	Evergo	3.50
5.25	3.48	Hang Lung	5.20
20.7	16.5	Hang Seng Bank	20.30
8.75	7.2	Harbour Centre	8.70
2.2	1.69	Henderson Inv.	2.17
8	6.05	Henderson Land	8.00
22.4	18.2	HK Aircraft	20.20
12.1	9.8	HK China	12.10
9.25	7.5	HK Electric	7.85
8.55	7.1	HK Land	8.20
5	4.32	HK Realty & Tr A	4.82
7	5.7	HK Shanghai Bank	5.90
5.3	4.35	HK Shanghai Hotels	5.10
6.2	5.2	HK Telecomms.	6.05
3.3	2.5	Hopewell Hldgs	3.07
11.1	7.95	Hutchison Wpa	11.10
1.27	1.08	Hysan Dev	1.22
11.9	8.4	Indust Equity P	10.10
34.25	22.9	Jardine Math	32.00
18.4	13.2	Jardine Strtgic	17.70
7.05	6.25	Kowloon Motor	6.25
6.3	4.57	Mandarin Orient	6.05
11.1	9.7	New World Dev	11.00
6.65	5.75	Realty Dev A	6.60
14.4	12.2	SHK Props	14.20
4.15	3.52	Shaw Bros.	4.05
2.42	1.24	Shell Elec.Mfg	2.42
3.62	2.5	Sime Darby	3.47
2.35	1.91	Sun Hung Kai Co	2.25
20.4	15	Swire Pac A	20.20
3.45	2.57	Do. B	3.40
8.8	7.1	Tele B'cast	8.70
8.3	6.55	Wharf Hldgs	8.30
7.45	6.2	Wing On Co	7.00
8.5	7.25	Winsor Ind	8.20
4.37	3.02	World Intl Hldgs	4.37
4.07	3.02	Zung Fu	3.87

MALAYSIA

1990 High	Low	June 15	Price MYR
2.65	2.29	Boustead Hldgs	2.55
14.1	10.8	Genting	14.00
8.4	4.5	Hong Leong Cred	5.95
14.5	11	Malayan Banking	12.70
3.34	1.96	Malayan Utd Ind	2.14
1.82	1.1	Multi Purpose	1.48
2.4	1.62	Public Bank	1.64
4.74	3.72	Sime Darby	4.10

SINGAPORE

1990 High	Low	June 15	Price S$
4.88	3.7	Cold Storage	4.60
13.9	11.3	DBS	13.90
10.4	8.6	Fraser & Neave	9.15
3.14	2.55	Haw Par Bros	2.90
6	5.2	Inchcape Bhd	5.40
8.1	6.6	Keppel Corp.	7.85
13.4	9.25	OCBC	10.90
5.7	4.9	OUB	5.50
21.8	18.6	S'pore Air Free	20.50
8.65	7.6	Singapore Press	7.80
3.92	3.2	Straits Trading	3.40
3.96	3.16	Tat Lee Bank	3.62
6	5.2	UOB	5.60

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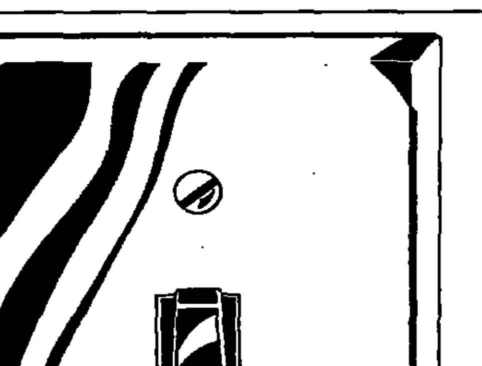

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AUTHORISED UNIT TRUSTS

Abbey Unit Tst Mngrs (1000)H
80 Holdenhurst Rd, Bournemouth 0345 717373

Unit Name	Init Chrge	Canc. Price	Bid Price	Offer Price	Yield Gr's	City-line
High Income						
American Income	6	51.89	52.41	55.75	4.91	40000
Gilts & Fixed Int	6	105.6	105.6xd	112.0	9.82	40001
High Inc Equity	6	137.3	140.8	149.7	4.24	40002
Worldwide Bond	6	190.6	190.6xd	202.0	6.39	40003
Capital Growth						
American Growth	6	192.3	193.9	206.2	1.13	40004
Asian Pacific	6	137.7	140.7	149.6	0.00	40005
Assets & Earnings	6	159.1	159.1xd	170.1	2.85	40006
Capital Reserve Acc	0	93.40	93.40	93.61	7.63	40007
Capital Reserve Inc	0	78.50	78.50	78.68	7.63	47580
Commodity & Energy	6	92.92	92.92	99.37	0.00	40008
Dividend & Growth	6	49.14	50.38	53.51	4.20	47871
1992 Enterprise	6	63.42	64.75	68.88	1.95	46597
Euro Capital Acc	6	101.6	101.6	108.6	0.91	40009
Euro Capital Inc	6	97.49	97.49	104.2	0.91	47581
General	6	180.1	180.1	192.6	2.60	40010
International	6	60.96	61.64	65.57	0.76	46852
Japan	6	101.1	101.1	108.1	0.00	40011
Mastertrust	6	90.25	90.25	96.52	1.53	40012
UK Growth Acc	6	177.8	177.8	190.1	2.61	40013
UK Growth Dist	6	116.2	116.2	124.2	2.61	40014
US Emerging Cos	6	60.05	61.42	65.34	0.00	40015
Income & Growth	6	306.2	306.2xd	327.4	3.13	40016
Ethical	6	47.86	47.86xd	51.18	1.95	40017

Abtrust Management Ltd (1200)H
10 Queens Terrace, Aberdeen AB9 1QJ 0800 833580

Unit Name	Init Chrge	Canc. Price	Bid Price	Offer Price	Yield Gr's	City-line
Amer Inc & Growth	5¼	32.87	32.97	35.20	2.24	40019
European	5¼	91.25	91.46	97.60	0.00	40025
European Income	5¼	87.87	87.87xd	93.71	1.40	41377
Exempt	1	777.2	777.2	802.5	1.21	41378
Exempt Income	3¼	181.9	181.9	192.6	4.48	41052
Exempt American	3¼	391.8	391.8	410.8	1.40	41054
Exempt Pacific	3¼	269.7	269.7xd	283.1	0.00	41050
Extra Income	5¼	43.05	43.05xd	45.96	5.52	40021
F East Emerg Cos	5¼	65.30	65.59	70.24	0.00	41380
Fund Inv Tst	5	129.8	134.1	143.1	1.30	40100
Do Accum	5	205.2	211.9	226.2	1.30	40101

Brown Shipley & Co Ltd—Contd.

Unit Name	Init Chrge	Canc. Price	Bid Price	Offer Price	Yield Gr's	City-line
North American	6	64.53	64.53	68.72	0.28	40199
Orient	6	118.9	118.9xd	127.4	—	40200
Recovery	6	45.31	45.31xd	48.26	3.02	40201
Smaller Cos Acc	6	243.9	243.9	259.8	—	40202
Smaller Cos Inc	6	149.4	149.4	159.1	1.28	40203

Brycourt Unit Tst Mgmt Ltd (1400)F
Hesketh Hse, Portman Sq, W1H 0JR 071-935 6382

Unit Name	Init Chrge	Canc. Price	Bid Price	Offer Price	Yield Gr's	City-line
Income Growth	1	191.5	191.5	198.5	8.64	40204

Buckmaster Mangmt Co Ltd (1200)H
15 St Botolph Street, London EC3A 7JJ 071-247 4542

Unit Name	Init Chrge	Canc. Price	Bid Price	Offer Price	Yield Gr's	City-line
Emerging Gwth	5¼	60.69	60.69	64.35	3.07	40205
(Accum Units)	5¼	62.84	62.84	66.61	3.07	46368
Fellowship Tst	5¼	63.19	63.95	68.04	3.02	40206
(Accum Units)	5¼	66.07	66.86	71.15	3.02	40207
General Inc	5¼	298.6	302.5	321.8	3.59	40208
(Accum Units)	5¼	519.8	526.5	560.1	3.59	40209
Income	5¼	160.6	167.5	173.6	3.93	40210
(Accum Units)	5¼	326.1	332.1	352.4	3.93	40211
International	5¼	103.8	103.8	110.0	1.00	40212
(Accum Units)	5¼	143.4	143.4	152.0	1.00	40213
Smaller Co's	5¼	100.2	101.8	108.3	2.25	40214
(Accum Units)	5¼	111.1	112.9	120.2	2.25	40215
Inv Portfolio	3	56.46	56.46	58.44	3.29	46339
(Accum Units)	3	59.20	59.20	61.27	3.29	46858
High Income Port	3	47.62	48.58	50.34	4.49	46857

Burrage Unit Tst Mangmt Ltd (0905)F
117 Fenchurch St, London EC3M 5AL 071-480 7216

Unit Name	Init Chrge	Canc. Price	Bid Price	Offer Price	Yield Gr's	City-line
Short Dated Gilt	1¼	56.68	56.68	57.54	6.90	40216

CCF Foster Braithwaite UT Mngt (1100)F
1 White Hart Yard, London SE1 1NX 071-407 5966

Unit Name	Init Chrge	Canc. Price	Bid Price	Offer Price	Yield Gr's	City-line
CCF Sel High Inc Eqty	5¼	48.37	49.17	52.31	0.0	46096
CCF Sel Intl Gwth	5¼	47.81	47.81	51.44	0.00	46098
CCF Sel Inv Tst	5¼	48.59	49.82	53.00	2.01	46097
CCF Sel UK Sm Co's	5¼	46.68	48.09	51.17	2.00	46098

CCL Unit Trusts Ltd (1400)F
74 Shepherds Bush Green, W12 8SQ 081-740 7070

Unit Name	Init Chrge	Canc. Price	Bid Price	Offer Price	Yield Gr's	City-line
UK General Tst	5¼	56.76	57.92	61.62	2.86	40217
Global Tst	5¼	46.85	47.37	50.39	0.35	40218
Recovery Tst	5¼	48.53	49.81	52.99	1.92	40219

CIBC Unit Tst Managers plc (1200)H
Cottons Ctr, Cottons Lane, Ldn. SE1 2QL 071 234 6000

Unit Name	Init Chrge	Canc. Price	Bid Price	Offer Price	Yield Gr's	City-line
Growth Fd Acc	5	119.4	121.0xd	127.6	4.67	40220

CIS Unit Managers Ltd (1000)F
PO Box 105, Manchester M60 0AH 061 837 5060

Unit Name	Init Chrge	Canc. Price	Bid Price	Offer Price	Yield Gr's	City-line
Environ						
UK Growth	6	107.3	108.9	115.9	2.58	47665
UK Income	6	104.2	106.1	112.9	5.71	47666

CS Fund Managers Limited (1000)H

GUIDE TO UNIT TRUST PRICING

INITIAL CHARGES
These represent the marketing, administrative and other costs which have to be paid by new purchasers. These charges are included in the price when the customer buys units.

OFFER PRICE
The price at which units may be bought.

BID PRICE
The price at which units may be sold.

CANCELLATION PRICE
The maximum spread between the offer and bid prices is determined by a formula laid down by the government. In practice, unit trust managers quote a much narrower spread. As a result, the bid price is often set well above the minimum permissible price which is called the cancellation price in the table. However the bid price might be moved to the cancellation price in circumstances in which there is a large excess of sellers of units over buyers.

TIME
The time shown alongside the fund manager's name is the time at which the unit trusts' daily dealing prices are normally set unless another time is indicated by the symbol alongside the individual unit trust name. The symbols are as follows: ♥ - 0001 to 1100 hours; ♦ - 1101 to 1400 hours; ♣ - 1401 to 1700 hours; ♠ - 1701 to midnight.

HISTORIC PRICING
The letter H denotes that the managers will deal on a historic price basis. This means that investors can obtain a firm quotation at the time of dealing. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis.

FORWARD PRICING
The letter F denotes that prices are set on a forward basis so that investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper show the prices at which deals were carried out yesterday.

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Unit Name	Init Chrge	Canc. Price	Bid Price	Offer Price	Yield Gr's	City-line
Touche Remnant Unit Tst Mngt Ltd –Contd.						
TR Income Growth	5¼	90.60	90.60	96.38	4.76	41530
TR Income Monthly	5¼	52.81	52.81	56.18	6.83	41531
TR Japan Growth	5¼	85.20	85.20xd	90.42	0	41532
TR Overseas Growth	5¼	68.60	68.60xd	73.14	0	41533
TR Smaller Cos	5¼	78.18	78.18	83.17	3.64	41534
TR Special Ops	5¼	88.52	88.52	94.17	4.18	41535
TR Mgd Eq Ptfl Acc	5¼	36.54	36.54	38.87	2.96	41536
TR Mgd Eq Ptfl Inc	5¼	34.27	34.27	36.45	2.96	41537
TR Wwde Sp Sit Acc	5¼	39.99	39.99	42.72	0	41538
TR Wwde Sp Sit Inc	5¼	39.95	39.95	42.67	0	41539
TR Pension Portfolio						
TR American Gwth ♦	6	29.64	30.03	31.84	0	46977
TR Eur Sp Sits ♦	6	36.02	36.39	38.57	0	46978
TR General Growth ♦	6	26.30	26.58	28.18	0	46979
TR Global Tech ♦	6	31.14	31.56	33.45	0	46980
TR Income Growth ♦	6	26.41	26.69	28.29	0	46981
TR Japan Growth ♦	6	26.64	26.86	28.47	0	46982
TR Mgd Equity ♦	6	28.05	28.35	30.05	0	46983
TR Overseas Growth ♦	6	29.43	29.81	31.60	0	46984
TR Smaller Cos ♦	6	18.48	18.68	19.80	0	46985
TR Special Ops ♦	6	18.21	18.40	19.50	0	46987
TR Stlg Liquidity ♦	6	26.39	26.79	27.91	0	46986
TR Wwde Sp Sits ♦	6	32.52	33.00	34.98	0	46988
Trades Union Unit Tst Mngrs (1200)H						
RLA Tower, Addiscombe Road, Croydon 081-686 4355						
TUUT	5	256.5	262.1	275.8	3.14	41540
Triton Fd Mngrs. Ltd. (1000)H						
Royal Ldn Hse, Colchester C01 1RA 0206 764400						
Triton General	5¼	172.1	174.7	185.9	3.28	41541
Tyndall Unit Tst Mngrs Ltd (1600)F						
25 Bucklesbury, London EC4N 0800 373574						
Austral Value	5¼	40.39	40.39	42.82	–	41550
British Lion	5	90.14	90.14	95.56	3.98	41548
Accum Units	5	95.25	95.25	100.97	3.98	41549
Capital Defender	5	37.69	37.69	39.96	12.92	41542
Accum Units	5	43.04	43.04	45.63	12.92	41543
1992 Eurogrowth Acc	5¼	78.34	78.34	83.05	1.05	46673
Income	5	79.84	79.84	84.64	7.94	41544
Accum Units	5	91.91	91.91	97.44	7.94	41545
Smaller Co's	5	71.69	71.69	76.00	3.53	41546
Accum Units	5	74.84	74.84	79.34	3.53	41547
Tiger Accum H.	5¼	75.90	75.90	80.46	1.85	46474
UK Unit Trust Managers Ltd (0905)F						
Worthing Road, Horsham, RH12 1SL 0403 40033						
British Growth	5¼	68.69	67.20	71.48	2.09	41551
Technical Analysis	5¼	63.92	64.70	68.82	1.29	41552
UTAM Ltd (1300)F						
1 White Hart Yard, London Bridge, SE1 071-407 5966						
Advisors: Henderson Crosthwaite Ltd						
Friars Hse Cap	5½	211.9	211.9	231.7	2.70	41553
Friars Hse Inc	5½	168.4	168.4	185.2	4.49	41554
United Charities Unit Trusts (1000)H						
Unicorn Hse, 252 Romford Rd, E7 081-534 5544						
United Charities	5	196.6	198.5xd	211.7	5.05	41555
Wardley Unit Tst Mngrs Ltd (1300)H						
3 Harbour Exchange Sqr, London E14 9GJ 071-455 5056						
American ♥	5¼	69.66	69.66xd	74.50	1.5	41574
Intl Growth	5¼	81.34	81.34xd	86.99	0.8	41575
Income	5¼	126.5	126.5	135.2	6.2	41576
Japan Growth	5¼	218.0	218.0	233.1	–	41577
Pacific Perf	5¼	139.0	139.0	148.6	0.1	41578
Australia	5¼	54.44	54.44	58.22	3.2	41581
UK Growth	5¼	171.7	171.7xd	183.6	2.6	41582
European Growth	5¼	79.71	79.71	85.25	–	41583
Hong Kong	5¼	37.81	37.81	40.43	3.0	41584
Intl Income	5¼	20.00	20.00	21.39	7.8	41585
S'pore & Malaysia	5¼	40.84	40.84xd	43.67	0.1	41586
Japan Smllr Cos	5¼	33.67	33.78	36.13	–	46995
Waverley Unit Tst Mngmt Ltd (1000)F						
13 Charlotte Sq, Edinburgh 031-225 1551						
Australasian Gold	6	9.46	9.46	10.59	0.00	41588
Pacific Basin	6	29.67	29.67	31.56	0.60	41589
Can Balncd Gwth ♦	6	44.21	44.21	47.03	0.10	41590
Global Bond ♦	4	0.9644	0.9644	1.0045	8.32	41591
Penny Share	6	25.02	25.02	26.61	0.50	41592
Wessex Asset Management (1330)F						
37a Jewry St, Winchester, Hants SO23 8RY 0962 842727						
Wessex UK Gwth	4½	115.5	119.1	124.1	3.85	41595
Whittingdale Unit Tst Mgmt Ltd						
2 Honey Lane, London EC2V 8BT 071-606 3132						
Challenger ♦ F	2¼	62.95	62.95	64.71	1.60	41596
Short Dtd Gilt ♥ F	1¼	83.57	83.57	84.71	1.33	41597
U.S. Govmt Bond ♦ F	1¼	5.5936	5936	.6017	0.00	41598
Willbro Financial Services Ltd (0905)F						
PO Box 515, 6 Broadgate, London EC2 071-588 7511						
Aust Friars W'wide	5	193.7	196.9	209.4	2.52	46677
Windsor Trust Mngrs Ltd (1200)F						
83 Kingsway, London, WC2B 6SD 071-405 8331						
Convtbl & Equity	5	51.27	51.27	54.65	9.90	40599
European	5	85.67	86.11	91.60	0.07	46303
Far Eastern	5	76.56	77.20	82.12	0.57	46304
Growth Inc	5	75.26	75.26	80.23	2.51	41600
Growth Acc	5	76.77	76.77	81.83	2.51	46996
Income Inc	5	76.09	76.09	81.10	4.82	41601
Income Acc	5	77.61	77.61	82.72	4.82	46997
Property Share	5	41.23	41.23	43.94	4.23	41602
Smaller Co's	5	33.76	37.32	39.70	2.43	41603
Nth American	5	63.48	63.48	67.89	1.14	41209
International	5	47.84	47.84	51.16	1.45	41218
Asset Value	5	166.60	166.60	178.18	3.79	41044
Wright Seligman Fund Mngrs Ltd (1700)F						
11 Blomfield St, London EC2M 7AY 071-588 0592						
Intl Growth	5	113.03	113.03xd	118.98	3.31	41604
UK Growth	5	105.01	105.01xd	110.54	2.66	47590
UK Income	5	99.87	99.87xd	105.12	6.02	47591
Weekly dealing day Tuesday						
The Yorkshire Unit Tst Mngrs Ltd (1100)F						
Woodsome Pk, Fenay Bdge, Huddersfield 0484 602250						
Yorkshire General	5¼	56.88	56.88xd	61.71	2.89	41605
YUTM UK Eqty Inc Tst	5¼	61.75	61.75	66.38	4.83	41606
YUTM Intl Gwth Tst ♦	5¼	54.48	54.48	58.09	0.15	41195

OTHER UK UNIT TRUSTS

	Bid	Offer	Yield	City-line
Baillie Gifford & Co Ltd				
Int'l Expt May 16	596.2	618.2	0.63	40105
Cent. Bd. of Fin. of Church of England‡‡				
2 Fore Street, London EC2Y 5AQ 071-588 1815				
Inv Fund May 31	534.20	538.15	5.16	40251
Fxd Int Sec May 31	124.75	125.35	11.57	40252
Deposit Fund: See Money Market Trust Funds.				
Charinco/Charishare‡‡ (1000)F				
33 King William Street, EC4R 9AS 071-280 2800				
C'inco Inc June 13	148.8	152.6xd	10.74	40254
C'inco Acc June 13	678.5	696.1xd	10.74	40255
C'share Inc June 13	161.4	167.8xd	3.45	40256
C'share Acc June 13	184.3	191.8xd	3.45	40257
CAFINVEST–Charities Aid Foundation				
48 Pembury Rd, Tonbridge TN9 2JD 0732 771333				
Balanced Growth	53.85	55.47	4.00	47779
Income	49.63	50.65	8.00	47780
COIF–Charities Official Inv Fd‡‡				
2 Fore Street, London EC2Y 5AQ 071-588 1815				
Income May 31	510.65	511.32	5.29	40258
Accum May 31	1769.03	1783.70		40259
Fixed Int Income May 31	101.15	101.35	11.47	43071
Fixed Int Accum.			–	43070
Deposit Account, see Money Market Trust Funds				
Edinburgh Fund Mngrs PLC				
Exempt Funds				
American June 13	150.4	154.5	1.46	40368
Managed June 13	142.9	148.3	1.95	40369
Japan June 14	120.7	124.0	0.17	40370
Pacific June 15	567.0	582.6	0.18	40371
Sm Jap Cos June 15	579.1	594.9	0.08	40372
Fidelity Investment Services Ltd				
Mngd Pens P'folio	131.1	134.3xd	0.07	46885
Robert Fleming Asset Mngmt Ltd				
Am Exempt June 12	£445.81	452.44	1.96	40456
Gen Exempt June 12	£128.80	131.49	4.16	40457
Jap Exempt June 12	£542.82	563.55	0.68	40458
Pacific Exempt June 12	£100.06	102.16	2.83	46888
Contl Euro Exempt June 12	£108.21	110.32	2.39	47674
Indexed Exempt June 7	£123.56	126.65	4.50	46886
Amer Indxd Expt June 7	£98.93	99.43	3.14	47673
Japan Indxd Expt June 7	£72.56	74.02	0.55	47676
Euro Indxd Expt June 7	£110.82	113.06	2.71	47675
O'seas Indxd Expt June 7	£102.64	104.92	2.04	46887
Foreign & Colonial Pens Mngt Ltd				
Exempt Funds				
Anglo-Nippon June 11	1951.7	2046.3	0.96	40417
European Inc June 11	124.3	130.9	1.88	40418
European Acc June 11	132.5	139.6	1.88	40419
North American June 1	586.6	608.3	1.84	40421
South East Asia June 11	338.9	354.7	2.79	40422
Funds in Court*				
Capital June 13	508.5	510.9	2.02	40505
Gross June 13	197.6	198.6	8.06	40506
High Yield June 13	296.1	297.4	6.28	40507
* Restricted to monies under Court control				
Henderson Unit Trust Management Ltd				
Pensions Mngd	52.43	54.6	3.93	40676
Lazard Brothers & Co. Ltd				
Property May 1	£2850.0	2995.0	5.3	40777
Inc Gth Prp Jan 24	£1525.0	1600.0	6.3	40778
Lazard Investors Ltd ‡‡				
Exempt Funds				
Small Co's June 13	£3795.8	4002.0	3.7	40766
European June 13	£606.2	612.8	1.6	40776
American June 13	£346.3	347.7	3.0	40773
Far Eastern June 13	£638.3	660.3	0.9	40774
Australian June 13	£133.4	136.1	4.0	40775
Ridings June 14	£141.8	154.6	1.2	40767
Northumbria May 14	£148.7	159.0	1.8	40768
North West June 14	£237.5	257.2	0.7	40769
East Coast May 15	£59.3	62.8	1.8	40770
W Midlands May 31	£162.6	181.3	1.8	40771
Local Authorities Mutual Invest. Tst.*				
2 Fore Street, London EC2Y 5AQ 071-588 1815				
Property May 31	222.95	234.10	6.15	40825
Equity May 31	878.40	890.70	4.00	40826
Fxd Int Sec May 31	88.35	88.80	10.77	40827
* Available only to Local Authorities				
M & G Securities Ltd				
Charibond	95.0	95.0	11.37	40883
(Accum Units)	475.6	475.6	11.37	40884
NAACIF June 13	–	41.7	9.67	46917
MIM Ltd				
Exempt Funds				
Intl Mngd P'Folio	1261.0	1360.0	–	46964
Mngd Pens (Acc).	67.5	72.0	–	41007
Morgan Grenfell Unit Trust Managers Ltd				
Exempt Funds				
UK Equity I June 12	122.8	131.6	3.07	46925
UK Small Co I June 12	578.5	632.6	1.98	46926
Fixed Interest I June 12	96.43	101.3	8.52	46920
US Small Co June 12	151.9	162.2	0.00	46927
Managed June 12	106.9	113.7	0.00	46924
Intl Bond June 12	101.8	107.4	7.09	47790
Japan June 12	79.45	85.03	0.00	47877
European June 12	103.1	110.4	0.00	47876
Nth American June 12	100.3	107.6	0.00	47878
Murray Johnstone UT Mngmt				
Murray Exempt Funds				
Amer Expt June 13	50.0	52.4	2.21	41064
Euro Expt June 13	60.1	63.1	2.18	41065
Fixed Int Ex June 13	41.4	42.6xd	11.92	46594
Japan Expt June 13	50.0	52.2xd	0.45	41066
Managed Ex June 14	43.7	45.4	5.04	41067
SE Asia Expt June 13	74.2	77.6	5.56	41068
Sm Cos Expt June 13	37.5	39.3xd	4.94	41069
UK Eqty Ex June 13	43.2	45.3	3.84	41070
Phillips & Drew Fund Management Ltd				
Small Co's June 6	746.8	795.4	4.45	41138
Do Accum	813.8	866.7	4.45	41139
Int. Expt June 14	186.3	189.2	2.4	41140
UK Index June 6	1126	1147	4.45	46945
Do Accum	1163	1183	4.45	46946
Convertible June 11	90.94	93.09	8.4	46938
World ex UK Index June 11	850.7	861.7	2.09	47887
Do Accum	850.7	861.7	2.09	47888
Japan Index June 11	696.0	706.3	0.4	47881
Do Accum	696.0	706.3	0.4	47882
USA Index June 11	982.0	987.4	3.2	47885
Do Accum	982.0	987.4	3.2	47886
Europe ex UK Index June 11	1020	1045	2.3	47879
Do Accum	1020	1045	2.3	47880
Pacific ex Jap Index June 11	946.4	971.8	5.0	47883
Do Accum	946.4	971.8	5.0	47884
Managed Exempt June 14	100.8	102.2	4.3	40338
NM Rothschild Asset Management Ltd				
NC Managed	59.2	63.0xd	3.66	40339
NC Property	191.9	209.7	–	41206
J. Rothschild Fund Managers Ltd				
Intl Exempt	146.0	147.7	3.18	40172
Stewart Ivory & Co Ltd				
Saints PPP May 14	258.1	271.7	0.00	41422
Closed to new business				
Thornton Unit Managers Ltd				
Managed Exempt June 15	106.48	111.79	3.70	46975
(Accum Units)	107.32	112.66	3.70	46976
Touche Remnant Unit Tst Mngt Ltd				
TR Exempt European	1301	1316xd	2.03	47801
TR Exempt Nth Amer	1019	1034xd	3.14	47802
TR Exempt Pac Basin	968	983xd	1.30	47803

INSURANCES

	Bid Price	Offer Price	Yield Gross	City-line
AA Friendly Society				
(Investment Mngt M & G Inv Mngt Ltd)				
AA Friendly Sy June 13	–	176.5	–	41607
Abbey Life Assurance Co Ltd				
80 Holdenhurst Road, Bournemouth 0202 292373				
Prop. Ser. 1	299.1	314.9	–	41608
Equity Ser 1	137.2	144.5	–	41609
Prop. Acc. Ser 2	460.9	485.2	–	41610
Equity Ser 2	159.1	167.5	–	41611
Selective Acc	358.1	377.0	–	41612
Prop. Ser 4	363.7	382.9	–	41613
Equity Ser. 4	161.0	169.5	–	41614
Man Ser 4	454.1	478.0	–	41620
Fixed Int. Ser. 4	221.9	233.7	–	41615
Indexed Inv. Ser. 4	147.4	155.2	–	41616
American Ser. 4	329.5	346.9	–	41617
Japan Ser 4	302.5	318.5	–	41619
European Ser 4	127.0	133.7	–	41622

	Bid Price	Offer Price	Yield Gross	City-line
Abbey Life Assurance Co Ltd – Contd.				
High Inc Ser. 4	480.8	506.2	–	41618
Money Ser. 4	250.4	263.6	–	41621
Intl Ser. 4	115.3	121.4	–	47021
Custodian Ser. 4	106.0	111.6	–	47022
Pension Funds				
Property	647.8	681.9	–	41623
Equity	1196.6	1259.6	–	41624
Selective	389.2	409.7	–	41625
Managed	873.1	919.1	–	41626
Security	495.4	521.5	–	41627
Fixed Int	266.0	280.1	–	41628
Indexed	160.5	169.0	–	41632
American	278.9	293.6	–	41630
Japan	320.1	337.0	–	41631
European	185.5	195.3	–	41629
High Income	133.6	140.7	–	46175
Ethical	123.3	129.8	–	46174
International	211.7	222.9	–	41633
Acuma Life Assurance Ltd				
The Glanty, Egham, Surrey TW2 9AT 0784 475333				
Managed	176.3	185.6	–	42158
World Growth	147.5	155.2	–	42159
UK Equity	205.2	215.9	–	42160
UK Small Companies	175.3	184.5	–	42161
European	152.6	160.6	–	42162
Far Eastern	310.4	326.7	–	42163
Nth American	115.5	121.5	–	42164
Fixed Interest	129.2	135.9	–	42165
Index Linked Stks	144.4	151.9	–	42166
Money	128.2	135.0	–	42167
Pen Managed	224.7	236.5	–	42168
Pen World Growth	162.3	170.8	–	42169
Pen UK Equity	291.8	307.1	–	42170
Pen UK Small Cos.	222.1	233.7	–	42171
Pen European	150.2	158.1	–	42172
Pen Far Eastern	460.5	484.7	–	42173
Pen Nth American	117.4	123.5	–	42174
Pen Fixed Interest	156.9	165.1	–	42175
Pen Index Lnkd Stks	154.4	162.5	–	42176
Pen Money	148.3	156.1	–	42177
AEtna Life Insurance Co Ltd				
2-12 Pentonville Rd, London N1 9XD 0800 010575				
Life Funds (Accumulator Units)				
Squirrel	13.80	14.53	–	41636
Bear	14.09	14.83	–	41637
Owl	17.01	17.91	–	41638
Bull	15.19	15.99	–	41639
Stag	15.44	16.26	–	41640
Gilt-Edged		12.20	–	41641
Deposit		12.39	–	41642
North American	10.45	11.00	–	41643
European	11.77	12.39	–	41644
Property	8.02	8.45	–	41645
Index Linked	11.13	11.72	–	41646
Far Eastern	11.79	12.42	–	41647
UK Equity	12.18	12.83	–	41648
Fixed Interest	10.84	11.42	–	41649
Gilt Edged (89)	9.64	10.15	–	47023
1982 Series				
UK Equity	263.02	276.87	–	41651
North American	204.21	214.96	–	41652
Far Eastern	336.52	354.24	–	41653
Fixed Interest	188.00	197.90	–	41654
Cash Deposit	156.88	165.14	–	41655
Property	109.00	114.74	–	41656
Special Opportunities	262.48	276.30	–	41657
Managed	231.53	243.72	–	41658
Index Linked Fund	144.85	152.48	–	41659
Pre-1982 Series				
9 Way	424.87	424.88	–	41665
Equity	774.70	774.71	–	41666
Bond	427.65	427.66	–	41667
Property	207.93	207.94	–	41668
Overseas Investment	294.81	294.82	–	41669
Pension Funds (Accumulation Units)				
Squirrel	16.95	17.85	–	41670
Bear	17.59	18.52	–	41671
Owl	22.17	23.34	–	41672
Bull	19.32	20.34	–	41673
Stag	18.65	19.64	–	41674
Gilt Edged		14.00	–	41675
Deposit		14.49	–	41676
North American	10.61	11.17	–	41677
European	12.56	13.23	–	41678
Property	9.54	10.05	–	41679
Index-Linked	11.77	12.39	–	41680
Far Eastern	13.03	13.72	–	41681
UK Equity	14.64	15.42	–	41682
Fixed Interest	12.26	12.91	–	41683
Gilt Edged (89)	10.14	10.68	–	47024
1982 Series				
Managed	284.28	299.25	–	41684
Pre 1982 Series				
Aetna Life				
3 Way	690.07	690.08	–	41686
Equity Pensions	1211.37	1211.38	–	41687
Aetna Pensions Ltd				
3-Way Managed	613.09	645.35	–	41688
Exempt Approved				
Mixed Managed	206.39	210.61	–	41689
Gilt Edged		14.00	–	41690
Gilt	100.83	102.89	–	43160
British Equity	96.88	98.86	–	43159
Worldwide Equity	89.75	91.59	–	43162
Property (Shares)	79.30	80.92	–	43161
Albany Life Assurance Co Ltd				
3 Darkes Lane, Potters Bar EN6 1AJ 0707 42311				
Life Funds				
Brit Blue Chip Fd Acc(z)	152.3	160.3	–	41691
Equity Fd Acc(z)	1104.9	1163.0	–	41692
European Fd Acc(z)	298.8	314.4	–	41693
Intl Fxd Int Fd Acc(z)	210.8	221.9	–	41698
Fixed Int Acc(z)	347.0	365.2	–	41694
Gtd Money Fd Acc(z)	257.0	270.5	–	41695
High Income Fd Acc(z)	125.0	131.5	–	41696
Intl Man Fd Acc(z)	415.0	436.8	–	41697
Japan Fd(z)	301.5	317.4	–	41699
UK Smllr Co's Fd Acc(z)	108.1	113.7	–	41704
Europlus Metro	136.5	143.7	–	47025
Global Metro	103.9	109.4	–	46534
Sunrise Metro	127.6	134.2	–	47026
UK Metro	109.8	115.5	–	46537
Nth American Fd Acc(z)	227.8	239.8	–	41700
Pac Basin Fd Acc(z)	157.3	165.6	–	41701
Prop Fd Acc(z)	338.1	355.8	–	41702
Millennium	103.6	109.0	–	47027
Multiple Inv Acc(z)	745.7	784.9	–	41703
Pension Funds				
Brit Blue Chip Acc(z)	172.8	181.9	–	41705

FT MANAGED FUNDS SERVICE

● For Current Unit Trust Prices on any telephone ring direct-0836 4 + five digit code (listed below). Calls charged at 38p per minute peak and 25p off peak, inc VAT

	Bid Price	Offer Price	Yield Gross	City-line
Norwich Union Life Insurance Soc.–Contd.				
Pensionmaster* & Unit-Linked Plan*				
Mixed Fund	407.5	428.9	–	43253
Ordinary Share Fund	608.2	640.2	–	43229
International Fund	169.0	177.9	–	43230
Property Fund	263.0	276.8	–	43231
Fixed Interest Fund	297.6	313.3	–	43227
Index-Linked Sec Fund	172.6	181.7	–	43228
Deposit Fund	226.5	238.4	–	43232
Norwich Units May 15		938.37	–	43234
*Prices at at June 12				
Jersey Investment Plan				
With Profits Fund	99.04	104.25	–	40525
Intl Equity Fund	95.12	100.13	–	40438
Intl Bond Fund	97.72	102.86	–	40349
Pearl Assurance (Unit Funds) Ltd				
Thorpe Wood, Peterborough PE3 6SA 0733 63212				
Prop. Dist. (Gross)	170.5	179.5	–	43235
Prop. Acc. (Gross)	291.5	306.9	–	43236
Equity (Gross)	829.4	873.0	–	43237
Managed (Gross)	577.0	607.4	–	43238
Prop Acc. (Net)	135.6	142.8	–	43239
Equity (Net)	191.0	201.1	–	43240
Managed (Net)	175.7	185.0	–	43241
International (Net)	168.1	177.0	–	43242
Gilt & Fxd Interest	104.7	110.3	–	43243
Money Fund	116.2	122.3	–	43244
Pearl Assurance (Unit Linked Pens) Ltd				
Ret Man (Series 1)	581.5	612.2	–	43245
Ret Man (Series 2)	197.2	207.6	–	43246
Ret Man (Series 3)	131.4	131.4	–	46462
Ret Cash	155.5	163.7	–	43247
Ret Cash (Series 3)	129.1	129.1	–	46463
Pegasus Assurance Ltd				
Broad Quay, Bristol BS1 4DJ 0272 230271				
Life Funds				
Managed Aggressive	104.9	110.5	–	43306
Managed Balanced	99.1	104.3	–	43346
Managed Cautious	95.9	101.0	–	43350
Pension Funds				
Managed Aggressive	105.9	111.5	–	43307
Managed Balanced	100.6	106.0	–	43347
Managed Cautious	96.8	102.0	–	43351
Pioneer Mutual Insurance Co Ltd				
16 Crosby Rd. N Waterloo Liverpool 051-928 6655				
Managed Fund	326.9	344.2	–	43272
Man Pens Inc & Cap Fds	437.2	460.3	–	43273
Money Fund	130.7	137.6	–	43274
Pens Mngd Fd (Init)	113.8	119.8	–	43275
Pens Mngd Fd (Acc)	146.2	153.9	–	43276
Pens FT30 Fd (Init)	147.9	155.7	–	43277
Pens FT30 Fd (Acc)	190.1	200.2	–	43278

	Bid Price	Offer Price	Yield Gross	City-line
Prudential Assurance Co				
Holborn Bars, London EC1N 2NH 071-405 9222				
Prudfund				
Managed June 13	249.7	260.2	–	43512
Prudential Holborn Life Ltd				
30 Old Burlington St. London W1X 1LB 071-439 3134				
Holborn Series I Life Funds				
Managed	564.3	594.1	–	46553
Equity	1156.0	1216.9	–	46554
Fixed Interest	379.3	399.3	–	46555
Property	435.2	458.2	–	46556
Cash	286.3	301.4	–	46557
International	397.6	418.6	–	46558
Holborn Series II Life Funds				
Managed	551.9	581.0	–	43513
Equity	1127.5	1186.9	–	43514
International	389.2	409.7	–	43515
Fixed Int	368.6	388.0	–	43516
Property	423.1	445.4	–	43517
Cash	278.7	293.4	–	43518
Pacific Basin	206.0	216.9	–	43519
North American	158.7	167.1	–	43520
European	188.0	197.9	–	43521
Holborn Balanced Gwth	115.5	121.6	–	43522
Holborn Strategic Gwth	115.6	121.7	–	43523
Prudential Holborn Pensions Ltd				
30 Old Burlington St, London W1X 1LB 071-439 3134				
Managed	586.4	617.3	–	43524
Equity	855.6	900.7	–	43525
Global Equity	244.9	257.8	–	43526
Fixed Interest	408.4	429.9	–	43527
Property	434.0	456.9	–	43528
Cash	178.9	188.4	–	43529
Index Linked Gilt	208.5	219.5	–	43530
Guaranteed	14.00		–	43531
International Money	212.2	223.4	–	43532
North American	77.0	81.1	–	43533
Japanese	126.1	132.8	–	43534
European	114.0	120.0	–	43535
Special Situations	120.0	126.4	–	43536
Communications	96.7	101.8	–	43537
Smaller Companies	110.0	115.8	–	43538
International Small Cos.	142.5	150.0	–	46559
Prudential Pensions Limited				
Holborn Bars, London EC1N 2NH 071-548 3281				
Discretionary June 13	£166.87	171.99	–	43539
Equity June 13	£181.77	188.20	–	43540
International June 13	£29.25	29.88	–	43541
Intl Bond June 13	£11.99	12.15	–	43542
Fixed Int. June 13	£75.04	75.89	–	43543
Index Linked June 13	£65.58	66.40	–	43544
Property June 13	£109.80	115.99	–	43545

FT MANAGED FUNDS SERVICE

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	Bid Price	Offer Price	Yield Gross	City-line
Stonehage Fund Mngrs Ltd				
Intl ManFd.	$10.92	10.97	-	46492
Stronghold Asset Mngmt (Guernsey) Ltd				
Tech and Comm	£13.77	14.61	-	44712
Pacific Basin Fd.	$100.98	107.19	-	44713
Western European	$17.06	18.24	-	44714
The Thai-Euro Fund Ltd				
Lloyds Bank Fund Mngrs (Guernsey) Ltd				
NAV June 8	24.84		-	46323
Tyndall International (Guernsey) Ltd				
Capital Defender	$1.28	1.35	-	45880
Hi Yield Bond	63.9	67.2	-	45881
Internat. Spec. Sits	46.8	49.2	-	45882
Marunouchi Fd	88.5	93.0	-	45883
U.S. Treasury Securities Fund Ltd				
Short Term Shares	$711.12		-	45903
Fixed Income Shares	$830.37		-	45904
Wellington Fd Mngrs (Guernsey) Ltd				
Intnl Growth Fd	$13.64	14.32	-	45995
Yamaichi Capital Mangmt (Guernsey) Ltd				
Japan Meta Growth	$12.17		-	46000
Yamaichi ISS Fund	$8.65		-	46591
Yamaichi CB Plus Fund	$9.13		-	47335
Thai Ins Fund	$13.29		-	46493

IRELAND (SIB RECOGNISED)

Unit Name	Init Charge	Canc. Price	Bid Price	Offer Price	Yield Gr's	City-line
AIG Fund Management Ltd "MI Trusts"						
MI Global Dollar		5-	1.00	1.07	-	43441

ISLE OF MAN (SIB RECOGNISED)

Unit Name	Init Charge	Canc. Price	Bid Price	Offer Price	Yield Gr's	City-line
Allied Dunbar Intl Fund Mgrs (1600)H						
Lord Street, Douglas, IoM 0624 661551						
ADI Managed(z)	5	0.5873	0.5873	0.6254	-	44675
ADI Mngd Currency(z)	5	0.3490	0.3490	0.3674	-	44676
ADI W'wide Eq(z)	5	0.6394	0.6394	0.6809	-	44677
ADI Nth Amer Gth(z)	5	0.6183	0.6183	0.6584	-	44678
ADI Far East (z)	5	1.1682	1.1682	1.2441	-	44679
ADI Gilt & Income(z)	5	0.2411	0.2411	0.2539	-	44680
ADI UK Cap Gth (z)	5	0.2131	0.2131	0.2269	-	44681
ADI Europe Fd (z)	5	1.3387	1.3387	1.4229	-	44682
For conversion Prices of Shares Phone: 0624 662860						
Asset Global Funds Ltd						
Abacus Hse, Mona St, Douglas, IoM 0624 20097						
French Equity	5	150.8	150.8	160.3	-	44689
UK Gilt	5	£10.06	10.06	10.62	-	44690
UK Equity	5	£15.03	15.03	16.10	-	44691
US Bond	5	$10.77	10.77	11.39	-	44692
CMI Fund Managers (IoM)						
Clerical Medical Hse, Douglas, IoM 0624 25599						
High Income	5	49.49	49.49	52.10	14.15	47280
CMI Core Portfolio Fund						
UK			96.84	103.96	-	47540
USA			97.03	102.97	-	47541
Japan			81.39	86.02	-	47539
Equity & Law Intl Fund Mngrs Ltd						
Victory Hse, Prospect Hill, Douglas IoM 0624 77877						
Total Income Fd	5¼	95.51	95.51	100.52	14.51	41566
Gartmore Fund Managers (IoM)						
PO Box 32, Douglas, IoM 0624 27610						
Intl Grth	5¼	499.7	499.7	533.9	0.91	45095
Refuge Overseas (1200)						
4th Floor, Victory Hse, Douglas IoM 0624 77500						
Gilt Fd	5¼	96.74	96.74	102.20	8.84	46797
US Dollar Bond	5¼	1.5529	1.5529	1.6401	7.40	46802
ECU & DM Bond	5¼	95.82	95.82	101.22	8.81	46798
Stlg Deposit	0	102.87	102.87	102.87	12.80	46801
US Dollar Deposit	0	1.7656	1.7656	1.7656	6.62	46803
W'wide Equity	5¼	108.46	111.26	118.36		46804
UK Equity Fd	5¼	99.03	99.03	104.97	-	47294
Tiger Fd	5¼	119.13	120.80	128.51	-	47344
European Opps	5¼	101.28	102.48	109.03	-	48004
Sun Life Management (IoM) Ltd						
PO Box 178, Douglas, IoM 0624 22444						
Secure High Income	6	0.9183	0.9183	0.9842	9.14	47486

ISLE OF MAN (REGULATED)(**)

	Bid Price	Offer Price	Yield Gross	City-line
CAL Investments (IoM) Ltd				
CAL C & C*	60.0	63.2	-	44795
*Dealings Monday.				
Duncan Lawrie Inv. Mgt. Ltd				
DL Sterling	142.7	149.9	5.7	44881
DL International	$1.70	1.81	2.3	44882
Equity & Law International Fund Mgs Ltd				
European Equity	219.33	230.84	-	44904
Far Eastern Equity	$2.5457	2.6793	-	44905
North Amer Equity	$1.4242	1.4989	-	44906
UK Equity	160.55	168.97	-	44907
Global Equity	122.65	129.08	-	44908
UK Gilt & Fxd Int	97.35	102.46	-	44909
Deutschemark Deposit	DM5.0448		-	44910
Dollar Deposit	$1.0236		-	44911
Sterling Deposit	106.98		-	44912
Yen Deposit	Y498.85		-	44913
Managed Currency	102.37	107.33	-	44914
Gartmore Fund Managers (IoM)				
Intl Inc.* June 14	22.7	24.2xd	15.24	45094
* Historic Yield – based on dist. 14.12.89				
John Govett Management (IoM) Ltd				
S E Asian Wrrt Fd Ltd	$10.32		-	46013
Hellerup Scandinavian Fund Ltd				
Scandinavia Fd	200.29	213.70	1.0	45223
IBI Global Funds Limited				
Intl Stlg Gwth	£14.45	15.22	-	45289
Intl $US Gwth	£13.52	14.24	-	45290
High Income Gilt	£17.71	18.36	-	45291
International Equity	£15.05	15.85	-	45292
International Bond	£15.05	15.85	-	45293
Managed Currency	£21.08		-	45294
Mercury Fund Managers IoM Ltd				
Merc Yield Fund	119.0	126.6	5.6	45970
Merc Intl Bond	48.50	51.00	11.2	45971
Refuge Overseas				
Master Fd A	98.87	105.19	-	46800
Sarasin (Isle of Man) Ltd				
Fergus Fd June 8	£13.54	-	-	47346
UK Trend June 13	£10.09xd		-	47347
Target International (Isle of Man) Ltd				
IMC Offshore Fd	£9.70	10.51	-	46450
Fleet Street Inv Fd	£8.98	9.62	-	46578
Offshore Income Fd Ltd	£9.61	10.15	-	46580
Nelson M'gmt W/W S/S	£11.55	12.18	-	46581
Tattersall Intl Assets	£8.89	9.32	-	46805
Tyndall International (Isle of Man) Ltd				
H I. Gilt/Building	95.9		-	45884
(Accum Shares)	152.8	160.6	-	45885

JERSEY (SIB RECOGNISED)

Unit Name	Init Charge	Canc. Price	Bid Price	Offer Price	Yield Gr's	City-line
Barclays International Funds						
PO Box 152, St Helier, Jersey CI 0534 67888						
Australian Eq (Inc)	5¼	0.950	0.952	1.019	2.4	44738
Global Income (Inc)	5¼	0.471	0.475xd	0.509	4.1	44740
Global Resources	5¼	0.442	0.444	0.475	1.3	44742
Currency Fund						
Stlg Premium Income		10.07	10.08xd		13.81	47926
Capital House Fund Mgrs (CI) Ltd (0900)H						
PO Box 189, Capital Hse, Bath St., St. Helier, Jersey						
Tel: 0534 74689 (Dealing) 0534 75639 (Helpline)						
Facsimile. 0534 79040 Telex: 4192136						
Capital House International Growth Funds Ltd ♦						
Equities						
UK Equity	5	1.256	1.256	1.333	-	44810
North American	5	1.586	1.586	1.683	-	44811
Japanese	5	1.730	1.730	1.836	-	44812
Pacific Basin	5	2.664	2.664	2.828	-	44813
Continental European	5	2.681	2.681	2.846	-	44814
Gold	5	1.263	1.294	1.373	-	44815
Bonds						
Sterling Bond	5	1.310	1.310	1.382	-	44816
International Bond	5	1.632	1.632	1.720	-	44817
Currencies						
£ Sterling	0	23.40	23.40		14.27	44818
US$	0	18.39	18.39		7.03	44819
Japanese Yen	0	Y3,511	3,511		5.86	44820
D Marks	0	56.48	56.48		6.86	44821
Swiss Francs	0	49.66	49.66		7.38	44822
Fr Francs	0	218.7	218.7		8.47	44823
Ecu's	0	26.19	26.19		9.01	44824
Managed						
Intl Portfolio	5	1.781	1.796	1.906	-	44825
Managed Currency	5	1.837	1.837	1.934	-	44826
Gartmore Fund Managers International Ltd						
PO Box 278, 45 La Motte St., Jersey 0534 27535						
Capital Strategy Fund Ltd (z)						
American Fd			$1.785		-	45067
Canadian Fd		C$-	0.9104		1.00	45078
British Fund		£-	2.381		3.00	45071
European Fund		DM-	6.507		-	45075
Eastern European		DM-	5.384		-	45068
Asia Pacific Fd		$-	2.345		-	45069
Japan Fund		Y-	726.5		-	45068
Australasian Fd		A$-	0.3334		1.00	45077
Global Resources		$-	0.8209		0.70	45080
Emerging Mkts Fd		£-	1.439		0.50	45079
Int Growth Fund		$-	3.005		0.20	45070
Sterling Bond Fd		£-	0.9948xd		10.32	45072
ECU Bond Fund		Ecu-	0.9305		9.04	45076
Int Bond Fund		$-	1.153		6.65	45073
Global Conv Bd Fd		$-	17.71		1.48	45074
US$ Deposit Fd		$-	1.022		7.16	45061
Sterling Deposit Fd		£-	1.008xd		13.89	45060
French Franc Dep Fd		FFr-	10.28		8.65	45066
Swiss Fr Dep		SFr-	5.112		7.77	45064
DM Deposit Fd		DM-	5.100		6.84	45062
Yen Deposit Fd		Y-	509.3		6.15	45063
Aust Dlr Deposit Fd		A$-	1.044		13.34	45065
John Govett (Channel Islands) Ltd						
PO Box 443, St. Helier, Jersey 0534 75141						
Govett Flexifund Ltd						
Global Equity	5½	9.99	9.99	10.09	1.0	47278
Global Bond	5½	9.46	9.46	9.50	7.5	47279
Global Currency	5½	9.06	9.06	9.09	8.5	47280
Global Balanced	5½	10.02	10.02	10.10	3.0	47281
Dollar Cash	5	9.47	9.47	9.50	8.5	47282
European Bond	5	12.59	12.59	12.64	7.0	47283
Dollar Bond	5	9.71	9.71	9.75	8.0	47284
Government Bond	5	10.13	10.13	10.18	8.0	47285
Sterling Cash	5	£4.90	4.90	4.92	13.0	47286
Japanese Equity	5½	Y1,518	1,518	1,532	0.0	47287
Far East Equity	5½	13.93	13.93	14.07	1.0	47288
US Equity	5½	12.75	12.75	12.88	1.0	47289
European Equity	5½	16.69	16.69	16.86	2.0	47290
UK High Income	5½	£4.59	4.59	4.61	12.0	47291
UK Equity General	5½	£4.99	4.99	5.04	3.0	47292
Initial charge may alter for sales in other jurisdictions						
Hill Samuel Fund Mgrs (Jsy) Ltd (1000)F						
PO Box 63, Bond Street, St. Helier, Jersey 0534 76029						
Stlg Fixed Int	5½	1.096	1.096	1.163	10.27	45259
Global Equity Fund	5½	15.40	15.40xd	16.47	0.66	45276
European Equity	5½	20.65	20.65xd	22.09	0.19	45258
UK Growth (CI Fund)	5½	4.852	4.852	5.189	2.44	45264
Intnl. Bond Fund						
Sterling Managed	5½	10.50	10.50	11.19	9.27	45265
US Dollar Managed	5½	12.95	12.95	13.83	7.08	45266
International Currency Fund						
Sterling Managed ♦	5½	25.50	25.50	26.98	-	45267
US Dollar Managed ♦	5½	27.98	27.98	29.61	-	45268
Sterling ♦	0	22.13	22.13	22.13	14.50	45269
US Dollar ♦	0	35.90	35.90	35.90	6.89	45270
Deutschmark ♦	0	56.13	56.13	56.13	6.64	45271
Japanese Yen ♦	0	Y4,589	4,589	4,589	5.36	45272
Swiss Franc ♦	0	43.87	43.87	43.87	7.56	45273
Irish Punts ♦	0	20.65	20.65	20.65	8.23	40662
Lloyds Bank (CI) U/T Mgrs.						
PO Box 195, St Helier, Jersey 0534 27561						
Lloyds Tst. Gilt	2½	9.057	9.079	9.317	12.02	45395
Dealing daily						
Midland Bank Fund Managers (Jersey) Ltd						
PO Box 26, St Helier, Jersey 0534 37788						
Intl Circuit Portfolio	6	103.99	103.99	110.28	-	44027
Gilt	3	90.01	90.01	92.81	12.93	45446
MIM Britannia International (Jersey) Ltd						
PO Box 271, St Helier, Jersey 0534 73114						
Jersey Gilt (z)	5¼	0.1603	0.1603xd	0.1690	9.47	45451
Royal Trust Jsy Fd Mngt Ltd (1400)F						
PO Box 428, St Helier, Jersey 0534 76077						
Govt Secs Fd	4	53.07	53.07xd	55.44	11.78	45734
TSB Trust Funds (CI)						
PO Box 538, St Helier, Jersey 0534 73494						
TSB Offshore Investment Fund Ltd						
Stg Deposit Class	3	104.31	104.31	107.44	14.28	45837
Gilt & Fixed Interest	5	97.00	97.00	100.00	11.65	43466
Gbl Cap & Gilt Edged	5	47.88	47.88	51.22	5.66	43856
International Bond	5	95.00	95.00	100.00	7.52	43472
UK Equity	5	95.26	95.26	102.57	1.82	43572
International Equity	5	98.73	98.73	104.37	0.43	43569
Far Eastern	5	98.92	98.92	104.47	0.00	43461
European	5	95.00	95.00	100.00	0.42	43450
Pan American	5	95.00	95.00	100.00	0.79	43570
TSB Gilt Fund Ltd						
Quarterly Share	3	92.60	92.60	95.62	11.90	45833
Monthly Share	3	90.62	90.62xd	93.57	11.76	45834

JERSEY (REGULATED)(**)

	Bid Price	Offer Price	Yield Gross	City-line
Allied Irish Fund Managers (CI) Ltd				
Sterling Currency Fd	£14.8742		-	44683
Managed Currency Fd	$36.4092		-	44684
Allied Irish Fund Managers – Contd.				
Do Sterling Equivalent	£21.3729		-	44685
Ecu	Ecu12.9871		-	46562
Irish Gilt Fd	I£189.4954		-	46563
Intl Managed Dollar	$23.9563		-	47336
Intl Managed Bond	I£21.6493		-	47337
Barclays Intl Funds				
Currency Funds				
Sterling	£18.04		14.0	44718
US Dollar	$28.99		7.1	44719
Deutschemark	DM49.70		6.6	44720
Yen	Y3,710		5.5	44721
Managed Multicurrency	£12.38	12.82	-	44722
Managed Multicurrency	$23.67	24.50	-	44723
Bond Funds				
Sterling Bond	£0.385	0.400	12.1	44724
US Government Income	$95.58	98.99	8.5	44725
Brown Shipley Fund Mgmt (CI) Ltd				
Sterling Bd(Dlr Daily)	£8.87	9.17xd	10.90	44786
Sterling Cap (Daily)	£31.86	31.87	-	44787
Intl. Bond (Daily)	$14.88	15.44	8.35	44788
Int Currency (Wed)	£1.44	1.53	7.84	44789
Cater Allen Investment Management (CI)				
CA Gilt Income	£6.74	7.05	17.02	44830
CA Gilt & Futures	960.00	1009.00	7.93	44831
CA Equity Gwth(2-1)	£4.68	5.06	3.95	44832
Citibank (CI) Ltd "Citifunds"				
Liquidity Funds				
Deutschmark	DM26.814		-	44834
Yen	Y2712.752		-	44835
Sterling	£10.201		-	44836
US Dollar	$16.575		-	44838
Managed	$16.134		-	44839
Short term Investment Funds				
Irish £ June 14	98.034		-	44841
Equity Funds				
Global Equity	$17.064		-	44843
Japan Equity June 14	$10.600		-	44845
European Equity June 18	$16.387		-	44847
US Em Hlth June 18	$12.772		-	44849
US Spec Sits June 18	$14.980		-	44850
US Em Tech June 18	$14.851		-	44851
Calcare June 18	$19.536		-	44852
Bond Funds				
Global Bond	$13.246		-	44853
GNMA Bond June 18	$12.167	12.181	-	44855
HYB (A) June 18	$78927.440		-	44856
EBC Trust Company (Jersey) Ltd				
EBC Amro Traded Currency Fund Ltd*				
Income	$13.85	14.286	6.42	44893
Capital	$21.62	22.278	6.43	44894
*Offer price includes 3% prelim. charge				
EBC Amro Currency Income Fund*				
Income	£8.96	9.4185	9.77	44895
*Offer price includes 5% prelim. charge				
International Income Fund				
US$ Dep Short A	$0.9334		-	44888
Do. Dist	$0.6064		0.31	44889
Mxd Cur Short term B	$1.3169		-	44890
Do. Dist	$0.9386		0.91	44891
Eurobd Long Term*	$30.99	32.3955	5.22	44892
* Offer Price Includes 3½% Initial Charge				
Equitilink International Mngt Ltd				
First Aust Prime Inc Inv Co Ltd NAV June 15 C$12.39				
First Aust Prime Inc Inv Co Ltd NAV June 15 US$10.57				
NAV Diluted to reflect exercise of all Wrrts C$12.06 US$10.29				
Fidelity International (CI) Ltd				
Sterling American	179.90	191.40	-	44979
$ Bond Fund	$5.12	5.34	7.60	44981
Gilt Fund	23.20	24.20	10.40	44983
Fidelity Performance Portfolios Ltd				
American Portfolio	$1.10	1.16xd	-	44946
Do. Sterling Equiv	64.00	68.42xd	-	44947
ASEAN Portfolio	$9.68	10.19xd	-	42712
Do. Sterling Equiv	£5.63	6.04xd	-	42713
European Portfolio	$2.02	2.13	-	44948
Do. Sterling Equiv	117.00	126.32	-	44949
German Portfolio	$9.07	9.55xd	-	42714
Do. Sterling Equiv	£5.27	5.66xd	-	42715
Japan Portfolio	$1.35	1.43xd	-	44950
Do. Sterling Equiv	79.00	84.21xd	-	44951
Malaysian Portfolio	$10.12	10.66	-	42716
Do Sterling Equiv	£5.88	6.31	-	42717
S. E. Asia Portfolio	$1.24	1.31xd	-	44952
Do. Sterling Equiv	72.00	77.90xd	-	44953
UK Portfolio	$1.15	1.22xd	-	44954
Do. Sterling Equiv	67.00	71.58xd	-	44955
Intl Bond Portfolio	$0.91	0.96xd	7.8	44962
Do. Sterling Equiv	53.00	56.05xd	-	44963
Stlg Liquidity Port	£10.05	10.05xd	14.0	44964
Dllr Liquidity Port	$10.03	10.03xd	7.50	44965
Fleming Group				
Save & Prosper Management (Jersey)				
Fleming Albany Amer Fd	$16.35	17.48	0.54	44991
Foreign & Colonial Mngmt (Jersey) Ltd				
Foreign & Colonial Reserve Asset Fd Ltd				
A-US$ Cash	$10.35xd		7.50	45005
B-Multicurrency Cash	$14.88xd		7.50	45006
X-Cash *	£10.71xd		14.50	45007
C-US$ Bonds	$13.00xd		8.00	45008
D-Multic'ncy Bonds	$16.05xd		8.00	45009
E-Sterling Bonds	£10.44xd		12.00	45010
F-D Mark Bonds	DM9.36xd		8.00	45011
G-Yen Bonds	Y1,045xd		6.50	45012
H-Ecu Bonds	Ecu10.11xd		9.50	45013
L-UK Equities *	£11.17xd		10.00	45014
M-US Equities *	$15.69		7.00	45015
N-Japanese Equities *	Y1,228		2.50	45016
O-Global Equities *	$12.05		7.00	45017
V-Velocity	$10.01xd		8.00	45018
Z-Gold *	$7.30		7.00	45019
* Daily Dealing				
John Govett Management (Jersey) Ltd				
Malay'n Emer Co NAV June 14	$11.37		-	47997
S'pore Scelec Fd NAV June 15	$11.98		-	47863
Paragon Fd NAV May 31	$9.64		-	47955
Hill Samuel Investment Services Intl(z)				
Hill Samuel Fund Managers (Jersey) Ltd				
Int. Growth	£3.397	3.600	-	45261
Management International (Jersey) Ltd				
Anchor Gilt Edge (z)	£8.82	8.87	12.18	45030
Midland Bank Fund Managers (Jersey) Ltd				
M. Bk. O'shore Mngd	130.55	138.34	-	45448
MIM Britannia International Limited				
All Funds deal daily except where indicated.				
Sterling Denominated Income Funds				
American Equity Inc	£1.441	1.546	2.92	45449
Japan Inc & Gwth	£1.904	2.043	2.54	45450
£ Mng Currency	£16.26	17.08	8.35	45452
US Dollar Denominated Income Funds				
American Inc Gwth	$1.266	1.361	4.66	45453
$ Mng Currency	$13.32	14.00xd	6.24	45455
Intl High Income	$2.348	2.418	7.34	45454
Sterling Denominated Growth Funds				
American Gwth	£1.535	1.651xd	-	45456
Australian Perform	£0.893	0.960	-	45457
Capital Deposit	£29.52	29.53	-	45458
European Perform	£0.5231	0.5625	-	45459
Far East	£2.557	2.749	-	45460
Pioneer Markets	£2.976	3.200	-	45461
UK Growth	£0.991	1.066	2.56	45462
£ Mng Portfolio	£1.700	1.838xd	1.40	45463
US Dollar Denominated Growth Funds				
American Small Cos	$2.538	2.729	-	45464
Gold & Prec Mtls	$0.844	0.908	-	45465
Japan Performance	$3.751	4.033	-	45466
Normandie Int Dlr ♦	$24.45	27.04	-	45468
$ Mng Portfolio	$2.135	2.308xd	1.05	45469
US Financial Inst *	$18.39	19.37	3.20	45470
Gtd NW 1994	$8.30		-	47829
MIM London Agents				
Amer Grwth May 31	$28.86	31.05	-	45472
Apollo Fd June 13*	SFr104.55	113.39	-	45473
Jap Growth Tst June 14	$24.80	26.84	-	45474
*Weekly Dealing. †Fortnightly Dealing. ‡Monthly Dealing				
Minerals, Oils Res. Shrs. Fd. Inc.				
Morex June 14	$14.82	15.13	2.38	45476
Morgan Grenfell Funds Mgmt (Jersey) Ltd				
Asian Investment	£286.20	304.50	1.29	47830
Japan Small Co's	£501.80	536.20	-	47831
Murray Johnstone (Jersey) Ltd				
Scott Asian Inv June 14	$10.76		-	42070
Nat. Westminster Jersey Fd. Mgrs. Ltd				
Gilt Fund (z)	48.9	51.0	11.59	45546
Equity Fd (z)	204.0	218.0	5.00	45547
*Intl Bond Fd (z)	84.3	87.0	10.15	45548
**Cnty NatWest Nat Res	188.2	201.0	5.40	45549
*Sub. day every Thurs. **Sub. day monthly 5th and 20th				
County NatWest Currency Fund (z)				
Dollar Class	$33.8085		-	45550
Sterling Class	£20.5990		-	45551
D-Mark Class	DM68.3321		-	45552
Dutch Guilder Class	Dfl68.7900		-	45553
Japanese Yen Class	Y6943.5740		-	45554
Northgate Unit Tst. Mngr. (Jersey) Ltd				
Pacific Fund June 6	$48.05	51.66	-	45567
Perpetual UT Mngrs (Jersey) Ltd				
Offshore Intl Gwth Fd	$3.5820	3.7748	-	45591
Offshore Am Gwth Fd	$3.5968	3.7799	-	45592
Offshore Emerging Cos	$2.8983	3.0801	-	45593
Offshore European Fd	$1.8394	1.9548	-	45594
Offshore Far Eastrn Fd	$2.5529	2.7130	-	45595
Offshore UK Growth Fd	$1.4701	1.5623	-	45596
The Portugal Fund Limited				
Lloyds Bank Trust Company (Channel Islands) Ltd				
NAV June 8	$7.00		-	47465
Prudential Intl Financial Services Ltd				
Vanbrugh Currency Fund				
Income (A & B)	176.30	185.40	9.50	45644
Growth (C & D)	213.9	224.9	0.00	45645
Royal Trust Fd Mgmt (CI) Ltd				
Yen Bond Fd*	Y183	191xd	3.14	45735
Japan Gwth Fd†	41.5	46.7	-	45737
†Prices on June 15 Next dealing on June 22				
* Prices on June 14 Next dealing June 21				
Royal Trust Intl Fd Mngt Ltd				
Sterling Fxd Int (z)†	84.2	85.3	9.38	45738
International Secs (z)†	$2.082	2.159	-	45739
International Bond (z)†	$1.057	1.069	6.54	45740
†Prices on June 13 Next dealing June 20				
Save & Prosper International				
Gold	$11.15	12.06	-	45753
Sterling Deposit	322.7	323.0	0.08	45759
Fixed Interest Funds				
Deutschmark Bd	DM10.07	10.64	5.17	45745
Dllr. Fxd. Int	$7.40	7.82xd	9.08	45746
Japan Inc & Gwth*	Y2,575	2,724	-	45747
St Fixed	91.3	96.6	11.18	45748
Equity Funds				
Europe	$13.86	15.00	-	45749
Far Eastern	$9.44	10.21xd	-	45750
Global Portfolio Fd £	£6.66	7.20	0.65	45751
Global Portfolio Fd $	$11.36	12.29	0.65	45752
Japan	$15.34	16.59	-	45754
Nth American	$14.31	15.48	0.27	45755
UK Growth	309.3	334.5	1.65	45756
Int Mngd Fd	$8.92	9.40	-	45758
*Next sub day July 4 1990				
Schroder Mngt Services (Jersey) Ltd				
Schroder Money Funds Ltd				
Sterling	£28.0326		14.12	45763
US $	$43.4724		7.27	45764
D-Mark	DM68.3704		6.90	45765
Swiss franc	SFr65.2390		7.68	45766
Yen	Y4512.92		6.08	45767
Scimitar Worldwide Money Fund Ltd				
Sterling	£19.5922		14.66	45808
US $	$32.8121		7.39	45809
D-Mark	DM66.2138		7.10	45810
Swiss Franc	SFr50.3587		7.97	45811
Japanese Yen	Y6680.9457		6.29	45812
Australian $	A$33.2661		14.04	45813
Canadian $	C$27.9143		12.58	45814
Ecu	Ecu13.0121		9.26	45815
US$ Managed	$34.9701	36.0516	-	45816
Sterling Managed	£18.2067	18.8523	-	45817
Scimitar Worldwide Selection Fd Ltd				
Equity Class Funds				
American	$13.24	14.09	-	45778
Asian Smllr Mkts	$14.09	14.99	-	45779
European	$13.12	13.96	-	45780
Gold	$3.93	4.18	-	45781
Japanese	$31.89	33.89	-	45782
Pacific Basin	$20.76	22.08	-	45783
S'pore Indo Malaysian	$9.50	10.01	-	-
Utd Kingdom	$9.42	10.02	-	45784
Worldwide	$16.26	17.30	-	45785
Worldwide Income	$9.50	10.01	-	-
Worldwide Warrant	$9.50	10.01	-	-
Managed Class Fund				
Worldwide	$9.51	10.02	-	-
Bond Class Funds				
Ecu	Ecu9.39	9.91	-	45789
Sterling	£9.34	9.85	-	45788
US Dollar	$8.99	9.51	-	45786
Worldwide	$9.29	9.81	-	45790
Scrimgeour Kemp-Gee Mngmt., Jersey				
SKG Capital Fund	341.7	368.9	-	45791
SKG Income Fund	85.8	90.2xd	7.69	45792
Gilt Bond	184.2	193.9	-	45793
TSB Trust Funds (CI)				
TSB Jsy Equity Fd	42.8	44.8	2.96	45830
TSB G'sey Equity Fd	42.8	44.8	2.96	45831
TSB Island Pension	255.4	268.9	-	45832
TSB Gilt Fd (Jsy) Ltd	92.60	95.62	11.50	45835
Target Internat. Management (Jersey) Ltd				
Ivory Growth Fund	£13.49	13.69	1.56	45838
Target Global Unit Tst	£9.77	10.08	-	46351
Target David M. Asset Unit Tst	£9.16	9.43	-	46352
Target IPS Unit Port	£11.93	12.31	-	46593
International Bond Fund	129.00	136.00	-	45839
European Global Strtgy	£10.15	10.71	-	46817
Tyndall International (Jersey) Ltd				
Wall Street	254.6	267.4	0.47	45887
Far Eastern	608.3	638.8	0.29	45888
1992 Fd	299.8	314.8	0.44	45889
British Lion	232.0	243.7	3.30	45890
(Non-J Acc Units)	739.7	776.8	-	45891
Gilt Fd	108.5	114.0xd	10.53	45892
(Accum Shares)	508.8	534.3	-	45893
Managed Currency Stlg	116.1	122.0	-	45894
Managed Currency Dllr	$1.376	1.446	-	45895
International	366.7	385.2	-	45896

	Bid Price	Offer Price	Yield Gross	City-line
Warburg Asset Management Jersey Ltd				
Ch Island & Int	£1.44	1.54	1.95	45929
Energy Int	$123.22		-	45933
Mercury Bond June 13	$28.02	28.04	4.99	45934
Metals Trust June 7	£14.26	14.61	-	45932
Merc Money Mkt Stlg	£34.96		-	45939
Mercury International Inv Tst Ltd				
Cont'l Europe Fd	£79.77	85.49xd	-	41043
Nth America Fd	£40.77	43.65xd	-	41045
Japan Fd	£50.87	54.49xd	-	41041
Pacific Fd	£47.36	50.67xd	-	41116
Reserve Fd	£49.92	52.43xd	-	41206
Wardley Fund Managers (Jersey) Ltd				
Wardley Japan Trust	$14.21	15.08xd	0.07	45972
Wardley Gilt Fund	£1.00	1.04	11.17	45973
Wardley Priv Cap Tst	$19.86	21.07	2.19	45974
Wardley Int Equity Tst	$12.81	13.60	-	45975
Wardley Bond Tst	$14.81	15.66	6.12	45976
Wardley Funds Limited				
Managed Currency Fd	$- 15.885999		-	47343
Worldinvest (Managers) Jersey Ltd				
Worldinvest Inc Fd †	$211.52	212.58	8.72	44715
Excelle Global Eqty $*	$55.78	56.06	-	47978
Excelle Global Eqty DM*	DM21.37	21.47	-	41252
Excelle Global Fxd Inc DM*	DM19.51	19.61	-	41374
Valued weekly. * Mondays. † Wednesdays.				

LUXEMBOURG (SIB RECOGNISED)

Unit Name	Init Charge	Canc. Price	Bid Price	Offer Price	Yield Gr's	City-line
Abbey Global Investment Fund						
41 Ave de la Gare, L-1611, Luxembourg 352 489061						
Intl Inc & Gth Fnd			$1.92	2.05	-	44602
(Sterling Price)			£1.13	1.2	-	44603
UK Gth Fnd			£0.74	0.79	-	44604
American Gth Fnd			$2.86	3.04	-	44605
(Sterling Price)			£1.68	1.78	-	44606
European Gth Fnd			Ecu2.65	2.82	0	44607
(Sterling Price)			£1.89	2.01	-	44608
Japanese Gth Fnd			Y537	570	-	44609
(Sterling Price)			£2.04	2.16	-	44610
Pacific Basin Gth Fnd			$2.19	2.32	-	44611
(Sterling Price)			£1.28	1.36	-	44612
Reserve Fund			£1.29	1.38	-	44613
Stlg Fixed Interest Fd			£0.95	1.01	-	-
AEtna Federated Intl Mngrs (Lux) SA						
14 Rue Leon Thyes L-2636 Lux. 010 352 421211						
AEtna Federated Intl Umbrella Fund						
Growth Funds						
American Equity	$-		5.97		0.52	46229
Asian Equity	$-		7.89		0.43	46230
Australian Equity	A$-		5.62		1.92	46231
European Equity	$-		8.57		-	46232
Japanese Equity	$-		4.17		-	46233
UK Equity	£-		6.31		2.19	46234
Income and Growth Funds						
American Inc & Gwth	$-		5.55		4.65	46235
European Inc & Gwth	$-		7.08		1.45	46236
Pac Basin Inc & Gwth	$-		5.75		1.25	46237
UK Inc & Gwth	£-		6.43		3.64	46238
Income Funds						
Australian $ Bond	A$-		5.14		10.02	46239
Canadian $ Bond	C$-		5.07		8.63	46240
Deutschemark Bond	DM-		4.50		5.73	46241
Mngd European Bd	$-		4.56		8.06	46242
Sterling Bond	£-		4.72		10.49	46243
US Dollar Bond	$-		5.11		7.26	46244
Yen Bond	Y-		478		4.21	46245
Liquid Reserve Fund						
Deutschemark Res	DM-		5.14		5.87	46246
Sterling Reserve	£-		5.27		13.09	46247
US Dollar Res	$-		5.23		7.11	46248
Yen Reserve	Y-		493		4.13	46249
Barclays Intl Funds (Luxembourg) (1400)						
41 Avenue de la Gare L-1611 010 352 404344						
European Equity ♥	5¼	0.923	0.923	0.981	0.5	44734
International Bond ♥	3¼	89.79	89.79	93.87	9.3	44727
Intl Equity ♥	5¼	1.453	1.453	1.545	0.7	44736
North Am Eqty ♥	5¼	23.93	23.93	25.44	0.6	44733
Pacific Eq ♥	5¼	5.137	5.137	5.461	0.0	44732
UK Equity ♥	5¼	1.03	1.03	1.095	2	44750
CMI Asset Management (Luxembourg) SA						
203 route d'Arlon, L-1150 Lux 010 352 458825						
CMI Managed Portfolio Investment Company						
Safeguard Portfolio			95.6	101.8	-	44797
Growth Portfolio			93.1	99.2	-	44798
Enterprise Portfolio			87.4	93.1	-	44799
Commercial Union Luxembourg SA						
24-26 Ave de la Liberte. L-1930 010 352 402455810						
Commercial Union Privilege Portfolio						
Equity Funds						
Monthly Income	-	-	100.00		-	43593
Private Client Mngd	-	-	100.00		-	43596
Far Eastern Gwth	$-	-	2.00		-	43611
American Gwth	$-	-	2.00		-	43612
European Gwth	Ecu-	-	2.00		-	43613
Japanese Gwth	Y-	-	250.00		-	43615
UK Growth	-	-	100.00		-	43616
Italian Gwth	L-	-	2,000		-	43617
Spanish Gwth	Pta-	-	200.00		-	43619
Dutch Gwth	Dfl-	-	5.00		-	43620
Belgian Gwth	BFr-	-	100.00		-	43637
French Gwth	FFr-	-	10.00		-	43639
Green	$-	-	2.00		-	43640
Reserve Funds						
Stlg Reserve Div		-	101.57	102.58	15.10	42707
Stlg Reserve Acc		-	101.57	102.58	15.10	42708
Dollar Reserve Div	$-	-	10.00		-	43642
Dollar Reserve Acc	$-	-	10.00		-	43643
Yen Reserve Div	Y-	-	1,000		-	43644
Yen Reserve Acc	Y-	-	1,000		-	43710
D'mark Reserve Div	DM-	-	10.00		-	43712
D'mark Reserve Acc	DM-	-	10.00		-	43714
Bond Funds						
Peseta Bond Div	Pta-	-	200.00		-	43715
Peseta Bond Acc	Pta-	-	200.00		-	43716
Dresdnerbank Asset Mngmt SA						
13 Rue Beaumont, L-1219 Luxembourg						
DM-Lux Bondspezial	DM-		75.90	78.18	-	47828
Eagle Star Intl-Global Assets Fund						
PO Box 101, Douglas, IoM 0624 661100						
UK Equity	£-		1.12	1.22	3.75	47295
Nth Am Equity	$-		2.18	2.35	2.25	47296
Japanese Equity	Y-		185.0	198.0	0.50	47297
Pacific Basin Equity	$-		2.19	2.35	4.00	47298
European Equity	DM-		3.66	3.96	2.00	47299
Sterling Bond	£-		0.88	0.94	10.00	47300
US Dollar Bond	$-		2.02	2.16	8.50	47301
Japanese Yen Bd	Y-		183.00	196.00	5.50	47302
Deutschmark Bond	DM-		2.70	2.89	7.00	47303
Stlg Liquid Assets	£-		1.00	1.06	12.50	47304
US$ Liquid Assets	$-		1.93	2.06	8.00	47305
Japan Yen Liquid Assets	Y-		189.0	202.0	5.80	47306
D'mark Liquid Assets	DM-		2.89	3.10	7.75	47307
Fleming Group						
45 Rue Des Scillas L-2529 Howald Luxembourg 010 352 405040 or 071-638 5858						
Fleming Flagship Fund						
FFF American*	$-		14.98	15.94	-	46818
FFF Continental Europe*	$-		16.03	17.05	-	46819
FFF Eastern Opps F	$-		12.02	12.79	-	47641
FFF European*	$-		14.43	15.35	-	46820
FFF Global Conv*	$-		11.19	11.91	-	46821
FFF Intl Bond*	$-		10.07	10.71	-	46822
FFF Intl Equity*	$-		30.38	32.31	-	44994
FFF Japanese*	$-		21.04	22.38	-	46823
FFF Pacific*	$-		12.98	13.81	-	46825
FFF UK*	£-		1.22	1.31	-	46826
FFF US Discovery*	$-		14.02	15.07	-	46827
* Daily Dealing						
Gartmore Luxembourg SA						
23 Rue des Bruyeres L-1274 Howald Lux 010 352 491841						
Japan Warrant			$9.46	9.77	-	45099
Gartmore Pantheon Fund						
Nth Amer Equity	$-		2.12		-	47834
British Equity	£-		1.04		-	47835
Nordic Equity	SKr-		11.51		-	47836
Cont'l European Equity	DM-		17.85		-	47556
Japan Equity	Y-		568		-	47837
Pacific Equity	Y-		394		-	47559
Developing Mkts	$-		1.02		-	47838
Natural Resources	$-		2.01		-	47839
W'wide Recovery	$-		1.58		-	47561
Intl Equity	$-		1.33		-	47558
Dollar Bond	$-		1.99		-	47929
Sterling Bond	£-		1.01		-	47841
European Currency Bond	Ecu-		1.50		7.24	47557
Intl Conv Bond	$-		2.17		-	47842
Dollar Reserve	$-		2.05		-	47843
Sterling Reserve	£-		1.07		-	47844
Deutschmark Reserve	DM-		5.06		-	47845
Yen Reserve	Y-		508		-	47846
Henderson Management SA						
21-25 Allee Scheffer L-2520 Luxembourg 071-638 5757 or 010-352 462232						
Henderson Horizon Fund						
Japanese Portfolio	$-		12.77	13.50	-	45231
Japan Smllr Cos P'flio	$-		21.92	23.16	-	45232
Pacific Portfolio	$-		11.93	12.60	-	45233
Nth American P'folio	$-		5.19	5.49	-	45235
European Portfolio	$-		9.09	9.61	-	45236
UK Portfolio	$-		5.92	6.25	-	45237
Global Portfolio	$-		10.01	10.59	-	47436
Fixed Int Portfolio	$-		8.89	9.34	-	47437
Inv Cos Portfolio	$-		10.53	11.05	-	40649
Dollar Liquidity P'folio	$-		0.8231	0.8625	-	45238
Stlg Liquidity P'folio	£-		1.0989	1.1513	-	45239
Hill Samuel Investment Services Intl SA						
Marktgasse 63/65, 3001 Berne, Switzerland 224051						
Hill Samuel Global Portfolio						
Global Equity	$-		9.60		-	47986
Global Bond	$-		9.50		-	47985
Global Managed	$-		9.38		-	47987
Sterling Fixed Int	£-		9.60		-	47992
European Fixed Int	DM-		9.18		-	47984
UK Equity	£-		9.76		-	47995
UK Smaller Co's Eqty	£-		9.82		-	41375
Nth American Equity	$-		9.81		-	47989
US Smaller Co's Eqty	$-		9.17		-	41376
Japanese Equity	Y-		941		-	47988
European Equity	DM-		10.13		-	47983
Pacific Basin Equity	$-		9.24		-	47990
Hypo Foreign & Colonial P'folio Fd Sicav						
1 Laurence Pountney Hill, Ldn EC4R 0BA 071-623 4680						
Am Smlr Cos Eqt(1-2)	$-		11.74		-	45000
Oriental Eqty(1-8)	$-		11.03		-	45004
European Eqty(1-3)	$-		15.62		-	45001
Nordic Equity	$-		16.10		-	45002
Amer Majors Equity	$-		10.14		-	45003
West Pacific Equity	$-		11.62		-	47554
Medit'r'n Equity	$-		11.94		-	47550
British Equity	$-		10.33		-	47546
US Dlr S-Term Asset	$-		10.04		-	47547
Stlg Short-Term Asset	£-		10.18		14.00	47553
Nth American Bond	$-		10.15		8.25	47551
Multi-Currency Bond	$-		10.18		7.50	47549
Sterling Bond	£-		9.90		12.00	47552
ECU Bond	Ecu-		10.24		9.00	47548
* Daily dealing						
Ivory & Sime (Luxembourg) SA						
13 rue Goethe L-1637 Luxembourg 010 352 4046461						
Atlas Fund						
Global Cap Portfolio	$-		2.576xd	2.733	0.25	45309
United States Portfolio	$-		2.673xd	2.835	0.55	45310
United Kingdom Portfolio	£-		1.155	1.225	11.00	45311
Cont'l Europe Portfolio	DM-		4.679	4.960	0.45	45312
Europrise Portfolio	£-		1.116	1.183	-	47642
Japan Portfolio	£-		0.824	0.874	-	45313
Pacific Portfolio	$-		2.734xd	2.897	1.00	45314
Gold Portfolio	$-		1.758xd	1.864	0.35	45315
UK Growth of Income	£-		1.261	1.338	1.90	45316
Sterling Gilt Portfolio	£-		0.903	0.958	5.0	45317
Global Bond Portfolio	$-		1.896	2.010	3.50	45319
Dollar Portfolio	$-		2.052xd	2.053	7.50	45320
Yen Portfolio	£-		0.872	0.873	2.20	45321
Sterling Portfolio	£-		1.065	1.066	6.40	45323
Kleinwort Benson Select Fund						
14 Rue Aldringen L-1118 Luxembourg 010 352 47991						
British	Ecu-		1.88	1.974	-	40965
Emerging Asia	Ecu-		2.024	2.125	-	40964
European	Ecu-		2.06	2.163	-	41006
International	Ecu-		1.90	1.995	-	43717
Japanese	Ecu-		1.91	2.005	-	41005
North American	Ecu-		1.92	2.016	-	43719
Pacific	Ecu-		1.92	2.016	-	43720
Midland International Circuit Fund SICAV						
Midland Bank Fund Managers (Jersey) Ltd						
PO Box 26, St Helier, Jersey 0534 37788						
UK Growth	£-		1.070	1.135	-	41030
European Growth	£-		1.075	1.141	-	41031
Japan Growth	£-		1.010	1.072	-	41032
Pacific Growth	£-		1.003	1.064	-	41035
Nth American Growth	£-		1.054	1.118	-	41034
UK Fixed Interest	£-		1.035	1.098	-	41037
Multicurrency Bond	£-		0.992	1.052	-	41033
UK Stlg Liquidity	£-		1.037	1.100	-	41040
US$ Liquidity	£-		1.001	1.062	-	41038
MIM Britannia International Ltd						
PO Box 271, St Helier, Jersey 0534 73114						
Asia Tiger Warrant	$-		2.01	2.16	-	47979
European Warrant	$-		5.13	3.50	-	46811
Income Plus	$-		9.58	10.09	-	43721
Nippon Warrant	$-		20.47	21.93	-	45475
Morgan Grenfell UT Mgrs/Deutsche Bank						
Representative for UK, Luxembourg						
20 Finsbury Circus, EC2M 2UT 071-826 0826						
Eurorenta	DM-		81.49	84.00	-	47544
DM Reserve	DM-		117.54	118.80	-	47542
Dollarenta	$-		49.64	51.20	-	47543
Nomura Global Fund						
Nomura Intl, Nomura Hse, 24 Monument St. London EC3R 8AJ 071-283 8811						
Asia Pacific P'folio			$9.24		-	47944
Royal Trust Assetmix Fund						
41 Avenue de la Gare L-1611, Luxembourg 352 489 061						
Equity Funds						
Alpha UK	£-		1.25		0	46787
Alpha US	$-		1.51		0	46788
Alpha Worldwide	SFr-		4.93		0.00	46789
Alpha Japanese	Y-		1001		0.00	46785
Alpha Pacific Rim	$-		1.43		0.00	46786
Alpha European	Ecu-		1.27		0.00	46784
Gold Share	$-		0.98		0.00	46793
Bond Funds						
Sterling Bond	£-		104.70		12.5	46794
US $ Bond	$-		111.01		7.94	46796
Deutschemark Bond	DM-		48.06		8.50	46791
Alpha Worldwide	SFr-		52.63		9.00	46790
Royal Trust Assetmix Fund – Contd.						
Reserve Funds						
Sterling Reserve	£-		12.261		14	46795
US $ Reserve	$-		11.195		7.36	46797
Deutschemark Reserve	DM-		10.913		7.23	46792
Sanpaolo Group (Luxembourg)						
c/o 9 St Pauls Churchyard, London, EC4 071-489 8825						
Sanpaolo ECU Fund						
Bonds	Ecu-		111.982	115.341	-	41378
Mixed	Ecu-		118.314	121.863	-	41388
Shares	Ecu-		104.434	107.567	-	41389
France Shares	Ecu-		107.038	110.239	-	41380
France Bonds	Ecu-		101.878	104.944	-	41381
France Security	Ecu-		102.826	105.854	-	41387
Sanpaolo Italy Fund						
Bonds	Ecu-		115.824	119.299	-	41412
Mixed	Ecu-		104.962	108.098	-	41413
Shares	Ecu-		130.447	134.360	-	41414
Prices fixed on Tuesday of each week						
Schroder International Selection Fund						
14 Rue Aldringen L-1118 Lux 010 352 4799 2456						
Trafalgar June 14	$-		30.40	32.25	-	45761
Euro Smllr Cos June 14	$-		5.85	6.21	-	47308
Japan Smllr Cos June 14	$-		7.23	7.68	-	47309
US Smllr Cos June 14	$-		5.41	5.74	-	47310
Sun Life Global Management Ltd						
PO Box 178, Douglas, Isle of Man 0624 22444						
Global Portfolio						
Global Bond			87.47	93.06	-	46271
Global Masters			119.35	127.71	-	46272
Global Recovery			96.69	103.40	-	46273
Haven			97.43	102.55	14.28	46274
American Growth			96.95	103.69	-	46275
Common Mkt Gwth			134.35	143.98	-	46276
Far East Gth			107.80	116.22	-	46277
Japan Gth			105.82	113.39	-	46278
UK Growth			111.36	119.51	-	46279
Touche Remnant (Guernsey) Limited						
Bermuda Hse, St Peter Port, Guernsey 0481 26268						
TR Worldwide Strategy Fund						
Nth American	5	1.3323	1.3323	1.4173	-	47311
European	5	1.9466	1.9466	2.0931	-	47312
Far East	5	1.2264	1.2264	1.3046	-	47313
Japan	5	0.9768	0.9768	1.0391	-	47314
UK Blue Chip	5	1.3022	1.3022	1.3853	-	47315
UK Special Opps	5	1.2190	1.2190	1.2968	-	47316
Multi-currency Bond	5	1.1397	1.1397	1.1656	-	47317
S.G. Warburg Asset Mngmt Lux SA						
14, Rue Leon Thyes, L-2636 Luxembourg 010 352 421211						
Mercury Selected Tst-SICAV						
Australian Fd			$11.92	12.78xd	-	45953
DM Global Bond Fd			DM20.24	21.32xd	-	47342
European Fund			$28.39	30.36xd	-	45954
European Opps Fd			$17.44	18.62xd	-	45955
Dollar Global Bond Fd			$11.49	12.10xd	1.24	45956
Global Fd			$43.69	46.69xd	-	45957
Global Man Cur Fd			$10.44	11.00xd	5.45	45958
Hong Kong Fd			$9.76	10.51xd	-	45959
Japan Fund			$26.33	28.16xd	-	45960
Japan Opps Fd			$19.76	21.14xd	-	45961
North Amer Fd			$16.93	17.98xd	-	45962
Nth American Opps			$13.37	14.20xd	-	45963
Pacific Fd			$10.80	11.63xd	-	45964
Singapore & Mlysia Fd			$11.45	12.36xd	-	45965
United Kingdom			$21.35	22.60xd	1.55	45966
Yen Global Bond Fd			$10.39	10.95xd	4.11	45967
Yen Global Eq Fd			$9.24	9.89xd	2.02	45968
Yen Intl Eq Fd			$8.94	9.56xd	3.66	45969
Wardley Investment Services (Lux) S.A.						
7 Rue Du Marche-Aux-Herbe L-1728 Luxembourg						
Dealing: (Jersey) 59919						
Wardley Global Selection						
Australasia Equity	$-		7.01	7.44	-	45977
Canada Equity	$-		9.02	9.58	-	45978
Europe Equity	$-		12.96	13.76	-	45979
Hong Kong Equity	$-		11.39	12.09	-	45980
Japan Equity	$-		11.46	12.16	-	45981
Singapore & Malaysia	$-		16.61	17.63	-	45982
UK Equity	$-		10.27	10.90	-	45983
USA Equity	$-		9.77	10.36	-	45984
Intl Managed Bond	$-		10.48	11.07	-	45987
Sterling Bond	£-		4.46	4.73	-	45988
US Dollar Bond	$-		9.56	10.10	-	45989
Sterling Reserve	£-		4.84	5.08	-	45991
US Dollar Reserve	$-		9.64	10.13	-	45992

LUXEMBOURG (REGULATED)(**)

	Bid Price	Offer Price	Yield Gross	City-line
Asian Development Equity Fund				
Portfolio A June 15	$19.02		-	42969
Portfolio B June 15	$16.14		-	44688
BAII Multicurrency (SICAV)				
US Dollars	$1281.96		-	44693
Ecu	Ecu1191.39		-	44694
Yen	Y276,936		-	44695
French Franc	FFr10801.21		-	44696
BMA-Banque de Marches et d'Arbitrage				
Bond Plus Fund	FFr1219.82		-	44699
Bond Security	FFr1286.95		-	44700
CB Fund International				
CB Fd Int	$17.91		-	45441
CM Investment Serial Funds				
Global Gwth NAV	$10.99		-	-
CMI Asset Management (Lux) S.A.				
CMI Global Network Fund				
Antipodean Equity	A$10.10		-	43722
Benelux Equity	Dfl20.12		-	43723
Canadian Equity	C$10.11		-	43724
Far East Emrgng Econ	$9.98		-	43725
French Equity	FFr50.59		-	43726
German Equity	DM19.87		-	43727
Iberian Equity	Pta1,005		-	43728
Italian Equity	L10,115		-	43729
Japanese Equity	Y1,511		-	43731
Nordic Equity	NKr50.33		-	43730
Swiss Equity	SFr20.20		-	43732
UK Equity	£5.13		-	43733
US Equity	$10.10		-	43734
Japan Index Tracking	Y1,516		-	43735
UK Eqty Index Tracking	£5.09		-	43736
US Eqty Index Tracking	$10.01		-	43741
German Bond	DM20.21		8.75	43742
Japanese Bond	Y1,516		7.50	43744
Swiss Bond	SFr20.20		7.50	43745
UK Bond	£5.08		12.50	43747
US Bond	$10.11		9.65	43748
Stlg Currency Reserve	£5.06		15.25	43749
US Dlr Currency Reserve	$10.11		8.25	-
Capel-Cure Myers International Fd Sicav				
Sterling Thinkers Bond	£9.27	9.57	-	45144
Sterling Thinkers Growth	£11.15	11.75	-	45146
US$ Thinkers Bond	$9.78	10.09	-	45147
US$ Thinkers Growth	$11.50	12.12	-	45149
Codevalor				
Croissance US$	$1644.02		-	42782
Rendement US$	$1475.96		-	42783
Rendement SFr	SFr1872.95		-	42809
Cortexa International				
Cortexa Intnl	$134.98		-	44857
Credit Commercial de France				
Euro Smlr Cos Class A	Ecu15.23		-	44866
Euro Smlr Cos Class B	Ecu15.23		-	44867
CM Actibonds	$36.31		-	44868
Euro Prestige Class A	Ecu10.91		-	44869
Euro Prestige Class B	Ecu12.83		-	-
Credit Suisse				
CS Money Mkt Fd US$	$1511.03	1511.04	-	44858
CS Money Mkt Fd DM	DM1300.98	1300.99	-	44859
CS Money Mkt Fd £	£1466.92	1466.93	-	44860
CS Money Mkt Fd Yen	Y120,984	120,985	-	44861
CS Prime Bond DM A	DM87.92	88.81	-	44862
CS Prime Bond DM B	DM99.45	100.45	-	47428
CS Short-Tm Bd $ A	$100.01	100.02	-	44863
CS Short-Tm Bd $ B	$121.99	122.00	-	46587
CS Short-Tm Bd DM A	DM95.67	95.68	-	44864
CS Short-Tm Bd DM B	DM112.47	112.47	-	46588
CS Ecu Bd A	Ecu96.35	97.32	-	46582
CS Ecu Bd B	Ecu119.28	120.48	-	46583
CS Gulden Bd A	Dfl93.47	94.41	-	46584
CS Gulden Bd B	Dfl109.68	110.79	-	46585
CS Gold Valor	$124.55	126.92	-	46586
CS Euro Blue Chip A/B DM	DM271.40	276.84	-	47852
CS Euro Blue Chip A/B SFr	SFr229.72	234.32	-	47853
CS Europa Bd A/B DM	DM239.00	241.38	-	47854
CS Europa Bd A/B SFr	SFr261.46	264.07	-	47855
CS Tiger	$581.84	604.54	-	47938
CS Gold Mines A/B $	$208.96	213.15	-	48006
CS Prime Metal A/B $	$191.44	195.29	-	48007
CS H'pano Iberia A/B Pta	Pta25,434	25,943	-	46019
CS H'pano Iberia A/B SFr	SFr348.54	355.52	-	46020
CS Euro Fin A/B	DM244.67	249.56	-	43753
CS Euro Fin A/B	SFr207.09	211.24	-	43756
Cresvale Intl Inv Advisers (Lux) SA				
Equity Warrant (Japan)	$11.92		-	-
Dean Witter World Wide Invest. Tst SA				
NAV June 15	$26.87		-	44874
Daiwa Japan Small Equity Fd				
Daiwa Japan Small Eq	$12.45		-	43757
The Dragon Fund Sicav				
NAV	$-		-	-
Dresdnerbank Asset Management SA				
Thornton-Lux Tiger	DM73.46	77.13	-	-
Espirito Santo Investment Mgmt (SICAV)				
Southern European Fd	$12.25		-	47429
Eurecu Management S.A.				
Eurecu Fd NAV June 11	Ecu27.33		-	46349
Europe Plus Investissement (SICAV)				
NAV June 15	Ecu131.00		-	44936
Europe Value Fund				
NAV	$12.29		-	47858
Fidelity Intl Inv Mngt (Luxembourg) SA				
Conv Sec Portfolio	$10.11	10.62	3.46	47349
New Europe Fd	$11.91	-	-	47350
Fidelity International Service (Lux) SA				
Blncd Port-Hedged	$9.89	10.38xd	1.01	46316
Blncd Port-Unhedged	$11.19	11.75xd	0.89	46317
Discovery	$17.77	18.66	0.39	44971
Far East	$73.73	77.42	0.09	44972
Frontier	$24.03	25.23	0.42	44973
Global Industries	$14.41	15.13	-	44974
Global Selection	$14.85	15.59	-	46318
International	$15.62	16.40	0.77	44975
Orient	$109.64	115.12	-	44976
Special Growth	$39.40	41.37	0.13	44978
World	$71.01	74.56	0.14	44980
Finistra International Group NV				
Yamato Equity Wrt Fd	$9.15	9.71	-	47348
Five Arrows Intl Bond Fund				
Rothschild Asset Management (CI)				
NAV per share	$10.62		-	44990
Fleming Group				
Fleming Fund Management (Lux)				
Balanced Fund	$22.87		-	45757
Fleming Japan Fund	Y40,622	43,409	-	44995
Fleming Amer Fled'ling	$24.05	25.71	-	44993
Japan Warrant NAV	$7.47		-	47928
European Wrrt NAV	$10.17		-	46014
Gartmore Luxembourg S.A.				
Worldwide Growth	$9.56	10.04	-	47833
Phoenix Fd	$11.43		-	47560
Gota Global Selection				
International	$12.27	12.97	-	47351
Nth American	$13.13	13.87	-	47352
European	$13.73	14.50	-	47353
Far East	$11.70	12.36	-	47354
Intl Acc Bond	$11.28	11.92	-	47355
Nordic	$10.83	11.44	-	48001
Central Europe	$10.94	11.56	-	47998
Mediterranean	$10.57	11.16	-	48000
Intl Currency	$9.80	10.36	-	47999
Indosuez Asia Invest Services Ltd				
Asian Growth Fund	$36.85		-	45295
Asian Income Fund	$8.78		-	45296
ISA Japan Regional Gth	Y991		-	42136
Pacific Gold Fund	$11.64		-	45297
Inprenet				
NAV June 13	$10.49		-	47656
International Bond Trust				
CCJC A NAV	$11.92		-	45302
EECLS B NAV	$30.39		-	45303
International Speciality Fund				
Intl Speciality	$12.36		-	45305
Investissements Atlantiques SA				
NAV June 11	$31.97	32.29	0.3	45306
JC Global Fund-SICAV				
NAV	$10.41		-	45794
Latin American Management Co Ltd				
Brazilian Inv Co SICAV	$17.97		-	44782
Mexican Inv Co SICAV	$14.82		-	47948
Laurvest Intl Funds-Global P'folio FCP				
NAV June 13	$10.70		-	45391
Liberty ALL-STAR World P'folio-Equity Fd				
NAV June 14	$11.01		-	45392
Lloyds Bank Luxembourg				
Intl Liquidity £	£114.91		14.24	47356
Intl Liquidity DM	DM107.16		7.42	47357
Intl Liquidity $	$108.38		7.83	47358
Intl Liquidity Yen	Y10,567		6.45	47359
Intl Liquidity SFr	SFr100.74		7.80	43758
McKinley Allsopp Risk Arbitrage Fund				
NAV Mar 2	$585.83		-	47562
Mediterranean Fund (SICAV)				
NAV May 29	Ecu14.60		-	45445
Merrill Lynch Asset Management				
Dollar Assets P'folio	$1.00		-	46844
Merrill Lynch Global Currency Portfolios				
Aust. Dollar P'folio	A$11.36		-	47455
Canadian Dollar P'folio	C$10.05		-	42711
Deutschmark P'folio	DM9.82		-	47456
Pound Stlg P'folio	£10.41		-	47457
US Dollar P'folio	$11.10		-	47458
Yen Portfolio	Y995		-	47459
Multi-Curr Bd P'folio	$14.75		-	45477
USA Income P'folio	$9.26		-	45900
US Federal Securities	$9.62		-	45901
World Nat Res P'folio A	$11.40		-	46494
World Nat Res P'folio B	$11.34		-	47460
Merrill Lynch Multinational Investment Portfolios-Equity/Convertible Series				
Global Equity Portfolio				
Class A	$10.83		-	47454
Class B	$10.66		-	42140
Merrill Lynch Asset Management – Contd.				
Convertible Securities Portfolio				
Class A	$11.52		-	44989
Class B	$11.50		-	-
Basic Value Portfolio				
Class A	$10.30		-	42137
Class B	$10.27		-	42139
MIM Britannia International Ltd				
Asia Powerful	$11.27	11.87	-	47341
Asia Super Gwth Fd	$13.95	14.69	-	45471
Nippon Wrt & Income	$10.76	11.37	-	46012
Okasan Global Strat	$17.67	18.60	-	45467
Morgan Stanley Sicav				
Global Equity June 12	$1077.37		-	47867
Global Bond June 12	$1026.83		-	47868
Hong Kong Plus Fd June 15	$1119.40		-	47461
Patrimony Fd June 12	$1111.71		-	47462
NM Income & Gwth Fd				
NAV	$16.40		-	45497
Nikko Luxembourg S.A.				
Global Alpha Strategy Fund-SICAV				
Pacific Alpha Fd*	$10.17	10.32	-	45561
US/Europe Alpha Fd*	$10.06	10.21	-	45562
*Price as at June 11				
US Index Fd-SICAV NAV	$10.71		-	45563
**Price as at June 12				
Nomura Asia Europe Fund				
NAV	$11.07		-	46161
Nomura Dragon Global Fund				
NAV	$10.26		-	46771
Nomura Growth Fund SA				
NAV	Y15,698		-	45564
Nomura Prudential Fd Pt II				
NAV	$13.44		-	45565
Nomura Prudential Global Portfolio				
NAV	$14.83		-	45566
Nomura Rosenberg Alpha Fund Mark II				
Portfolio A: NAV	$13.77		-	46255
Portfolio B. NAV	$10.67		-	46256
Pierson Heldring & Pierson				
Tokyo Pac Hldgs NV	$250.80		-	45598
Leveraged Cap Hldgs NV	$351.24		-	45599
Asia Pac Gth Fd NV	$37.39		-	45600
Asian Selection	Dfl52.57		-	43761
DP Am Gth Fd NV	$27.87		-	45601
Europe Gth Fd NV	Dfl65.61		-	45602
Japan Diversified Fd	$48.61		-	46589
Rosenberg Global Mngt Co SA				
Rosenberg Alpha Fund Global				
Portfolio A: NAV	$10.85		-	43151
Portfolio B: NAV	$10.98		-	43152
Rosenberg Management SA				
Rosenberg Alpha Fund Yield				
Portfolio A: NAV	$10.43		-	47468
Portfolio B: NAV	$9.57		-	47469
Rosenberg US Japan Mngmt Co SA				
Rosenberg Alpha Fund US Japan				
Portfolio A: NAV	$9.74		-	47658
Portfolio B: NAV	$9.38		-	47659
SCI/TECH SA				
SCI/Tech NAV	$21.09		-	45741
Security Pacific Funds S.A. Lux				
Security Pacific Global Fund				
Global Equities Port	$10.61	11.20	-	47360
Global Fixed Inc Port	$9.18	9.66	-	47361
US Core Equities Port	$13.41	14.15	-	47362
US Govt Securities Port	$10.34	10.41	-	47363
Security Pacific Money Market Fund				
The Managed Portfolio	$9.64	9.90	-	47364
Strategic International Gold Fund S.A.				
U. S. $	$6.70		-	45820
Target International Fountain Fund				
Global Managed	SFr2.82		-	46572
U.K.	SFr2.64		-	46573
Japan	SFr2.39		-	46574
Gold Shares	SFr1.60		-	46575
North American	SFr3.12		-	46576
Multicurrency Bond	SFr2.27		-	46577
North European	DM3.61		-	47365
Orient	SFr2.90		-	47936
Target International Ltd				
Intl Growth Fd	$20.75	21.8997	-	45840
Templeton Worldwide Investments				
Growth Portfolio				
Class A-1 $	$10.94		-	41215
Class A-2 $	$10.94		-	41217
Class A-3 $	$10.94		-	41221
Class B-1 $	$10.87		-	41235
Class B-2 $	$10.87		-	41236
Income Portfolio				
Class A $	$10.52		-	41237
Class B $	$10.45		-	41246
Top Brand Fund Intl-SICAV				
Top Brand Fd Intl	$14.30	15.02	1.33	45865
Inv Ad Warburg Asset Mngt London				
Transworld Bond Trust				
NAV	$11.15		-	45870
US Pacific Stock Fund				
NAV June 15	$17.15		-	45902
Unibank SA, Frontrunner I				
Equities 92	Ecu105.59		-	47950
Global Bonds	DKr101.71		-	47951
Global Bonds	DM99.31		-	47952
Sterling Fund	£107.20		-	47953
Unico Financial Services SA Lux				
DG Investment Bank Ltd				
Unico Invest. Fund	DM71.13	73.30	3.00	45905
Unico Equity Fund	DM66.15	68.13	3.00	45906
Viking Fund-SICAV				
$NAV June 12 Ecu80.31				
S.G. Warburg Asset Mngmt Lux S.A.				
Mercury Offshore Stlg Tst-SICAV				
Global Fund (z)	£1.157	1.236	1.54	45945
Overseas Fund (z)	£1.197	1.279	1.02	45946
European Fund (z)	£1.378	1.475	0.44	45947
Japan Fund (z)	£1.162	1.243	-	45948
N American Fund (z)	£1.377	1.462	0.08	45949
Pacific Fund (z)	£1.183	1.277	1.56	45950
Utd Kingdom Fund (z)	£1.303	1.385	2.32	45951
Reserve Fund (z)	£1.049	1.105	12.14	45952
World Bond Fund-SICAV				
World Bond Fund	$19.87	20.88	0.96	45996
Inv Ad Warburg Asset Mngt London				
World Capital Gwth Fd-SICAV				
World Cap Gwth Fd(z)	$13.07	13.77	0.73	45997
Inv Adv Warburg Asset Mngt London				
Yamaichi Dynamic Mngt Co SA				
Advanced Tech	$23.69		-	46002
Yamaichi 1992 OMNI Fund SICAV				
NAV June 15	$12.10	12.16	-	47653

SWITZERLAND (SIB RECOGNISED)

Unit Name	Init Charge	Canc. Price	Bid Price	Offer Price	Yield Gr's	City-line
B.I.A. Bond Investments AG						
10 Baarerstrasse CH6301 Zug, Switzerland 217180						
Barer Sf, Series A		SFr-	9190.0	9770.0	-	44698
Barer Sf, Series B		SFr-	919.0	977.0	-	44697

OTHER OFFSHORE FUNDS

	Bid Price	Offer Price	Yield Gross	City-line
ATSP Management Ltd				
Philippines Long Term Equity Fund				
NAV May 31	$15.67		-	47417
Adig Investment				
Adirenta	DM21.18	21.82	-	44617
Adiverba	DM162.82	170.96	-	44618
Fondak	DM83.50	87.68	-	44619
Fondis	DM72.10	75.71	-	44620
Aetna Malaysian Growth Fd (Cayman) Ltd				
NAV June 11	$9.9829		-	-
Alliance Capital				
Alliance	$6.26	6.62	-	44664
Global Bond Fund	$12.41	12.78	-	44665
Health Care	$27.36	28.59	-	44666
Hi Yield Bond	$5.31	5.62	10.68	44668
International	$17.38	18.39	-	44669
Intl. Tech	$22.51	23.64	-	44670
Quasar	$21.53	22.78	-	44671
Mortgage	$8.60	9.10	9.56	44672
Surveyor	$11.55	12.22	-	44673
Technology	$24.45	25.87	-	44674
Alliance International Currency Reserves				
US Dollar Reserves May 16-22 0.001058 (5.67% pa)				
Arral Associates Ltd				
Asian Fd	$126.75		-	43147
International Hedge	$86.89		-	43148
Asian Convertibles & Income Fd (Cayman)				
NAV June 14	$10.29		-	-
Julius Baer Bank & Trust Co Ltd				
Liquibaer J. Baer SFr*	SFr1874.00	1875.00	-	44709
S-Baer, J Baer SFr*	SFr1125.00	1130.00	-	44710
DM-Baer, J Baer DM*	DM962.00	967.00	-	44711
*Plus charge				
Bank of Ireland Unit Managers Ltd				
Global Scap	$10.53	10.85	-	-
Banque Scandinave Fd. Mgrs. Ltd.				
BSS Int. Inv Fd. Ltd.				
Intl Equity Fd	$2.32	2.40xd	-	44716
Intl Treas Bd Fd	$1.15	1.17xd	-	44717
Baring International Group				
Australia	$16.10	17.34	1.05	44759
Britains Regen't'n Fd	£1.03	1.08	-	46466
Europa Fund	$15.27	16.35	-	44760
Hong Kong	$42.00	45.00	3.09	44761
Japan Tech	$66.74	71.29	-	44762
Japan Fund	$27.04	28.89	0.17	44763
Japan New Gnrtn Fd	$20.79	22.28	-	44764
Korea Fd	$12.14	12.74	-	46765
Malay Sing	$62.01	66.75	0.31	44765
Nth American	$20.87	21.91	0.58	47418
Oceanus Fund	$22.64	24.26	0.88	44766
Pacific Fd	$63.21	66.37	0.24	44767
Pacific Intl	$27.18	28.54	0.44	44768
Tristar Warrant	$12.38	12.99	-	47419
Bond Fd	$15.1128	15.8678	6.9	44769
Bermuda Intl Invmt Mngmt Ltd				
Anchor Intl (z)	$20.80	20.81	-	45051
Bda Intl Bond (Cap)	$29.28	29.58	-	44771
Bda Intl Bond (Inc)	$10.05	10.16	-	44772
Bda Intl Commodity	$10.20	10.32	-	44773
Bda Intl Crncy (Mgd)	$16.69	16.86	-	44774
Bda Intl Equity (Cap)	$18.92	19.30	-	44775
Bda Intl Equity (Inc)	$15.96	16.29	-	44776
Cdn $ Inv Bond A	C$16.96	17.13	-	44777
Canadian $ Inv Bd B	C$18.87	19.06	-	44778
Forexfund	$8.89	9.08	-	44779
Jap Ovsea Spcl Situs	$21.33	21.78	-	44780
Bordier Funds Ltd				
Korea Fd NAV June 15	$77.10		-	48005
Bridge Management Ltd				
Nippon Fd	$103.14	107.46	-	44784
Nihonbashi Fd	Y5,940	6,090	-	44783
Bridge Singapore Asset Mngmt Ltd				
Singapore & Malay Tst	$18.91	19.72	10.85	44785
Butterfield Management Co Ltd				
Buttress Capital	$17.55		-	44790
Buttress Cap Appr Bd	11.13		-	47420
Buttress Equity Acc	$9.30	9.73	-	44791
Buttress Inc Acc	$6.21	6.43	-	44793
Buttress Intl Income	10.32		-	47421
Cantrade ITEC Fund Management				
Esmeralda	Dfl161.85		1.85	45299
Jade Fonds	Dfl180.50		0.00	45300
Top 20 Fonds Nederland	Dfl149.40		0.47	47422
Capital House Investment Management Ltd				
Emperor Fund	$18.57	19.51	0.16	44827
Capital International				
Capital Int. Fund	$96.78		-	44829
Citizens Investment Trust Mgt Co Ltd				
Korea 1990 Trust NAV June 11 Won 3,484.57 US$4.85				
Korea Gwth Tst NAV June 11 Won 26,437.37 US$36.83				
Connaught Investments Ltd				
Connaught World Growth	$19.18	20.53	-	47423
Connaught Gold Mining Fd	$4.63	4.87	-	47424
Connaught Pacific Est	$16.65	17.50	-	47425
Connaught Thailand Fd	$24.20	25.42	-	47426
Connaught Indonesian Gth	$10.98	11.54	-	47427
Connaught Pacific Wrrt	$10.65	11.19	-	47927
Barracuda Fd	$11.50	12.09	-	47856
Connaught Malaysian	$9.51	10.00	-	-
Credit Lyonnais Rouse (Bermuda) Ltd				
Systemtrend Ltd	$16.576		-	44796
S'trend Gtd Ltd Mar 93	$10.696		-	46315
DWS Deutsche Ges. F. Wertpapiersp				
Investa	DM79.47	83.45	-	44870
Provesta	DM118.51	124.45	-	44871
Inresta	DM63.62	68.25	-	44872
Daehan Investment Trust Co Ltd				
Korea Trust NAV June 9 Won 45,247 (US$63.27)				
Seoul Trust NAV June 11 Won 26,516 (US$37.08)				
Daiwa APT Japan Fund				
Daiwa APT Jap	$8.4826	8.6979	-	47851
Daiwa Intl Capital Management (H.K.) Ltd				
Indonesia Eqty Fd Ltd	$90.56		-	43149
Malaysia Equity NAV	$9.72		-	40564
Daiwa Japanese Equity Warrant Fund				
Jap Eqty Wrrt June 12	$1093.46	1094.77	-	42972
Deutscher Investment-Trust				
Concentra	DM47.94	50.34	-	44877
Int. Rentenfonds	DM69.49	71.27	-	44878
Drexel Burnham Lambert				
Finsbury Group Limited NAV June 8 US$132.28				
Winchester Capital Limited NAV Mar 23 US$100.92				
Winchester Conv Plus Ltd NAV Apr 27 US$8.79				
Winchester Futures Ltd-Divfd Ser NAV June 8 US$16.10				
Winchester Futures Ltd-Orion Ser NAV June 8 US$17.98				
Winchester Frontier Limited NAV June 8 US$215.15				
Winchester Hldgs-Conv Plus Series NAV Apr 27 US$8.79				
Winchester Hldgs-Eur Bd Series June 8 Ecu1169.76				
Winchester Recovery Limited NAV Feb 28 US$6.43				
Drexel Burnham Lambert – Contd.				
Winchester Reserves Limited Apr 27 Current Yield 6.98				
Winchester Reserves MultiGvBd NAV June 8 US$312.15				
Worldwide Special Fund NV NAV June 8 US$3906.77				
Worldwide Securities Limited NAV June 8 US$38.55				
Dreyfus Intercontinental Inv. Fd.				
NAV June 15(+1)	$12.02	12.65	-	44879
Elders (Switzerland) Invest. Mngt. SA				
Elders Aust Invst. Tst	A$88.00	93.25	-	44902
Elders Inter. Inv. Tst	SFr108.50	115.08	-	44903
Emerging Markets Management				
Emer Mkts Secs Apr 30	$191.57		-	43049
Asian Emer Mkts May 30	$10.40		-	46018
Ermitage Group				
Erm. Managed Fund	$33.65		-	44924
Erm. Borrage Fd	£10.69		6.00	44926
Erm. Cash Fund	£34.47		-	44927
Ermitage FS Perseus	$12.62		-	44928
GAM Ermitage Ltd	$31.75		-	44929
Ermitage Dollar Fd	$15.83		-	44930
Ermitage Jersey Fd	£9.68xd		3.50	47545
Erm. Hedge Fd $ (Dtr)	$135.98		-	47857
Erm. Equities	$13.24		-	42130
Europe 1992				
NAV	$11.18		-	-
S.G. Europe Obligations SA				
Europe-Obligations	$90.09		-	44935
FFM / Swiss Financial Services				
Multiple Advisory Ltd	1840.06		-	47956
Fidelity Distributors Intl Ltd				
Am Val II Com June 3	$98.23		-	44968
Am Vals IV	$92,750.00		-	47595
American Assets	$139.79	146.78	0.81	44967
Australia	$15.45	16.22	-	44970
Dollar Savings Tst	$175.75		7.56	44982
Pacific	$359.87	377.86	0.04	44977
Forbes Securities Management Ltd				
Gilt High-Income	36.7	38.7	11.9	44996
Gold Inc	$1.58	1.68	15.4	44997
Gold Appreciation	$1.86	1.97	-	44998
Formosa Fund				
NAV June 14 NT$2303.75 IDR value US$83.990				
Frankfurt Trust Investment-GmbH				
FTinterzins	DM39.34	40.52	-	45023
Frankft. Effekt. Fd	DM172.91	181.56	-	45024
Free World Fund				
NAV May 31	$64.13		-	45025
The French Prestige Fund				
NAV June 12	$25.83		-	45026
Equivalent	FFr132.90		-	45027
Frobisher Fund Limited				
NAV June 4	$5.22	5.50	-	45028
GT Investment Mngmt Co SA				
GT Investment Fd(z)	$13.22		0.30	45029
GT Management Plc				
GT Applied Science	$10.83		-	45032
GT ASEAN Fd (z)	$59.91		0.27	45033
GT Asia Fd(z)	$15.43		-	45034
GT Asia Sterling(z)	£13.65		-	45035
GT Australia Fd(z)	$26.43		2.61	45036
GT Berry Japan Fd (z)	$39.85		0.21	45037
GT Berry Jap Sml(z)	£26.13xd		0.19	45038
GT Biotech Hlth Fd (z)	$11.87		-	45039
GT Bond Fund (z)	$15.57xd		7.71	45040
GT Britain Fd(z)(Sep)	$-		-	46319
GT Deutschland Fd (z)	$14.20		-	45041
GT Dollar Fd. (z)	$21.93		1.17	45042
GT Emerging Mkts	$10.00		-	-
GT Europe Fund (z)	$36.55		0.05	45044
GT Euro Small Cos (z)	$38.67		-	45045
GT Global Small Cos(z)	$17.45		0.39	45046
GT Global Tech Fd (z)	$19.06		13.17	45047
GT Hong Kong Fd (z)	$30.37		3.09	45055
GT Honshu Pfdr (z)	$13.97		-	45048
GT Jap OTC Stocks	$14.34		-	47932
GT Jap Sm Cos(z)	$17.80		0.11	45049
GT Korea Fd (z)	$7.00		-	47862
GT Nat Res Gold Class(z)	$5.51		-	45050
GT Newly Ind Cs Fd (z)	$33.39		1.45	45051
GT Select Bd Fd(Sep)	-		-	-
GT Technology Fd(z)	$45.17		-	45056
GT UK Small Cos Fd (z)	$8.26		-	45057
GT US Small Cos (z)	$16.59		-	45058
GT Universal Gold(Sep)	$-		-	45059
GW Investment Mngmt Ltd				
GW Guaranteed Futures Ltd-Ser I NAV May 31 US$9.56				
Gaia Currency Hedge Funds				
Gaia Hedge I	$111.22	112.09	-	46269
Gaia Hedge II	$206.40	211.47	-	46270
Gartmore Fd Mngrs (Far East) Ltd				
Australia Tst June 11	$4.015	4.235xd	-	45084
Japan Fd June 11	$14.345	15.110	-	45085
N. American Tst June 13	$35.860	37.733xd	0.14	45086
Intl. Bond Fd June 14	$10.810	11.385xd	7.64	45087
Pacific Tst June 15	[illegible]	[illegible]	-	45088
Pacific Warrant June 15	$8.930	9.405xd	-	42132
Oriental V'ture Tst June 15	$50.355	53.220	-	45089
Hong Kong Fd June 15	$18.185	19.150	-	45091
Managed Tst June 11	$20.230	21.300	-	45092
S'pore & Malaysia June 14	$16.750	17.635	-	45093
New Zealand June 15	$7.520	7.920xd	-	42131
Pacific Mkts Tst Jun 15	$9.220	9.710	-	46021
Gartmore Investment Ltd				
Gartmore Fund Managers International Ltd				
Capital Strategy Portfolio				
Income Portfolio	1.00		11.89	46320
Growth Portfolio	£1.37		2.34	46321
Balanced Portfolio	1.23		1.89	46322
German Selection Associates N.V.				
NAV June 1	DM2,279.10		-	47431
Gertrust SA				
Samoral Portfolio	SFr298.70	325.70	-	45098
Global Asset Management Corpn				
GAMerica	$262.28		-	45100
GAM Arbitrage	$233.63		-	45101
GAM ASEAN	$182.78		-	45102
GAM Australia	$121.71		-	45103
GAM Boston	$237.62		-	45105
GAM Ermitage	$31.75		-	45106
GAM European Inc	$119.16		-	47432
GAM Europe	$104.05		-	47981
GAM France	FFr1704.61		-	45108
GAM Franc-val SFr	SFr225.07		-	45109
GAM Global	$135.87		-	45110
GAM High Yield	$93.08		-	45112
GAM Hong Kong	$222.63		-	45113
GAM International	$173.07		-	45114
GAM Japan	$340.26		-	45115
GAM Nth America	$98.69		-	47982
GAM Mngd MktFdx US$	$103.69		-	45116
Do Sterling	£106.83		-	45117
Do Swiss Fr	SFr104.03		-	45118
Do Deutschmark	DM103.34		-	45119
Do Yen	Y10,273		-	45120
GAM Multi-Mngr Allctn	$101.96		-	47930
GAM Multi-Mngr Gro Eq	$103.96		-	47931
GAM Multi-Mngr Trading	101.24		-	43762
GAM Pacific	$535.92		-	45121
GAM Pacific Basin Fd	$132.92		-	45122
GAM Restructuring Inc	$157.67		-	45123
GAM Singapore/Malaysia	$280.30		-	45124
GAM SFr Special Bd Inc	SFr92.88		-	47433
GAM Tyche	$201.47		-	45126
GAM U.S.	$173.86		-	45127
GAM ut Investments	$323.45		-	45128
GAM Value Fd Inc	100.51		-	47434
GAM Whitethorn	$148.01		-	45129
GAM Worldwide	$460.30		-	45130
GSAM Composite Inc	$225.55		-	45131
GAM Bond $ Ord	$108.41		-	45132
GAM Bond $ Special	$133.59		-	45133
GAM Bond SwFr	SFr88.85		-	45134
GAM Bond Yen	Y10922		-	45135
GAM Bond DM	DM85.65		-	45136
GAM Bond £ Stlng	£95.84		-	45137
GAM (CH) Mondial	SFr1312.00		-	43763
GAM (CH) America	SFr1292.00		-	43764
GAM (CH) Pacific	SFr1649.00		-	43766
GAM (CH) Europa	SFr99.00		-	43767
Global Government Plus Fund				
c/o Prudential-Bache Secs (UK) Inc				
NAV June 8 US$6.62 C$7.77				
Granville Management Limited				
Granville Inv Tst	£1.26	1.32	1.82	45143
Next dealing day June 27				
Group One Limited				
Merrill Lynch Intl & Co c/o MLIE				
US S&P 500 Index Ser 1	$316.85	331.74	2.97	45155
Shearson Lehman Hutton Securities				
Utility Value Trust	$1136.63	-	7.26	46766
Utility Value Trust 3	$1041.84		7.12	46767
Hamon Investment Partners Ltd				
Selected Asian P'folio	$11.96	11.97	-	47943
Hansemann Hldgs NV Curacao				
NAV May 31	$307.46		-	47435
Hill Samuel Investment Services Intl (z)				
Bank von Ernst & Cie AG				
Crossbow (Far East)	SFr15.08	16.06	-	45256
CSF (Int. Man)	SFr36.83	39.20	-	45257
ITF Fd (Technology)	$23.19	24.53	-	45262
O'seas Fd (N Amer)	$51.73	54.45	-	45263
Huntington World Investors Fds Ltd				
Managed Currency	$14.15	14.33	7.71	45904
I.P.S. (C.I.) Ltd				
Global Mngd Port	103.0	105.0	0.00	46357
Intermarket Fund				
NAV May 31	$426.19		-	45301
The Japan Capital Secured Trust				
NAV June 13	$9.2264		-	-
Japan Selection Associates N.V.				
NAV June 1	Y11,088.00		-	46449
Jardine Fleming Inv Mngt Ltd				
Fledgeling Japan Inv	£2.0409		-	45341
JF Asia Select Ltd	$1.04		-	40653
JF Indonesia Fd Inc	$9.18		-	47487
JF Pacific Wnt Co June 15	$11.16		-	45339
JF Philippine Inc	$8.42		-	47934
JF Japan OTC Inc	$11.17		-	47995
Jardine Fleming Unit Trusts Ltd				
Asia Pacific				
JF Asean Trust(z)	$24.92	26.37	-	45331
JF Australia Tst	$4.00	4.25	-	45333
JF Eastern Tst(z)	$38.23	40.46	-	45330
JF Far Eastern Wrts Tst	$8.83	9.39	-	40655
JF Hong Kong Tst(z)	$76.96	81.42	-	45329
JF India Pacific	$12.45	13.24	-	40765
JF Japan Trust(z)	Y20,320	21,498	-	45324
JF Japan Small Co	Y79,786	84,409	-	45325
JF Japan Tech Tst	Y47,563	50,319	-	45326
JF Korea Tst*	$6.95	7.40	-	40772
JF Malaysia Tst	$10.10	10.69	-	40830
JF New Zealand Tst	$7.98	8.45	-	40545
JF Nomura Asia Tst	$17.68		-	40903
JF Nomura Gwth Tst	$8.69		-	40543
JF Pacific Inc Tst(z)	$88.89	94.05	-	45328
JF Pacific Prop Eqty Tst	10.18	10.78	-	43150
JF Pacific Secs Tst(z)	$27.23	28.81	-	45327
JF Philippine Tst	$46.69	49.11	-	45332
JF Thailand Tst	$16.04	17.07	-	40568
International				
JF American Growth Tst	$10.82	11.46	-	45335
JF Continental EuroTst	$3.23	3.43	-	45337
JF Currency Bond Fd	$15.18	16.07	9.3	45338
JF European Tst(z)	$13.29	14.07	-	45336
JF Germany Tst	DM10.13	10.73	-	40678
JF Global Conv Tst	$12.75	13.50	-	46769
JF Global Wrrts Tst	$12.61	13.42	-	40764
JF International Tst(z)	$15.01	15.89	-	45334
JF Natural Res Fd	$6.83	7.24	-	45340
JF Yale-Trac Bond M Tst*	$10.05	10.64	-	40569
JF Yale-Trac Global Eqty Tst*	$9.95	10.54	-	40570
JF Money Mkt US$	$1.00		7.86	46152
JF Money Mkt Yen	Y100		6.55	46155
JF Money Mkt DM	DM1.00		7.14	46154
JF Money Mkt £	£1.00		14.07	46153
JF Money Mkt C$	C$1.00		12.14	43040
JF Money Mkt A$	A$1.00		13.39	43041
JF Money Mkt HK$	HK$1.00		8.27	46156
Daily Dealing EXCEPT Marked with *				
Kestrel Management Ltd				
Sterling Share May 31	£13.10		-	45439
US Dollar Shr May 31	$23.37		-	47869
Korea Investment Trust Co Ltd				
Korea International Trust				
NAV June 15 Won 36,486.21 IDR Value US$50,774.02				
Seoul International Trust				
NAV June 15 Won 27,078.87 IDR value US$37,682.81				
Korea Equity Trust				
NAV June 15 Won 7,052.91 IDR Value US$9,786.91				
Laenderbank				
Eurolandex Fd	Sch1524.36	1623.07	-	-
Lippo Asia Ltd				
Java Fd (Cayman) Ltd NAV	$10.60		-	-
Lloyds Bank (CI) U/T Mngrs				
Lloyds Trust Overseas	248.2	266.8	0.75	45397
Dealing weekly on Thursday				
Lloyds Bank Geneva Switzerland				
Lloyds Int'l Dollar	$107.00	110.20	9.0	45398
Lloyds Int'l Europe	SFr186.70	199.80	1.9	45399
Lloyds Int'l Growth	SFr209.90	224.20	0.9	45400
Lloyds Int'l Income	SFr251.80	268.00	7.3	45401
Lloyds Int'l N America	$165.65	174.85	2.0	45402
Lloyds Int'l Pacific	SFr184.50	197.40	0.5	45403
Lloyds Int Smaller Cos	$17.83	18.58	-	45404
London Portfolio Services plc				
Lon Port Gtd Co I Ltd	$87.48		-	47440
Lon Port Gtd Co II Ltd	$9.12		-	47439
M & G (Cayman) Ltd				
Atlantic Ex June 12	$18.04	19.20	1.13	45419
Australian Ex June 6	$5.77	6.11	3.02	45420
Gold Ex June 13	$36.98	38.93xd	1.64	45421
(Accum. Units)	$66.29	69.78	1.64	45422
McDonnell & Co (Bermuda) Ltd				
McD Merger Arbitrage	$21.00	22.05	-	45426
McD Fin Arbitrage	$29.35	30.82	-	45427
McD Futures	$12.98	13.63	-	45428
McD Diversified	$17.07	17.92	-	45429
McD US Equity	$10.36	10.88	-	45431
McD Sales Gtd Ltd Fd	$9.17	9.63	-	47441
McD Forex Fd	$10.24	10.75	-	47442
McD US Govt Secs Fd	$10.29	10.44	-	43042
Magnum Fund Mngmt (Bermuda) Ltd				
Magnum Futures Fund				
Sterling Class	£4.74		-	46847
US Dollar Class	$9.13		-	46848
DM Class	DM20.25		-	43043
Malacca Fund (Cayman) Limited				
NAV June 13	$16.74		-	47443
Malaysia Capital Fund Ltd				
NAV June 15	$10.02		-	-
Malaysia Growth Fund				
NAV June 8	$12.77		-	47444
Malaysia Select Fund Ltd				
NAV May 31	$10.2646		-	-
Malaysian Smaller Co's Fd (Cayman) Ltd				
Royal Trust Asset Mngmt (Asia) Ltd				
NAV June 11	$11.35		-	[illegible]
Man International Futures				
MINT LIMITED-Ord.	$42.88		-	45432
MINT LIMITED-Inc.	$15.38		-	45433
MINT GTD LTD Ser A	$22.92		-	45434
MINT GTD LTD-Spec Iss.	$21.07		-	45435
MINT GTD LTD-Nov 1993	$20.15		-	45436
MINT GTD LTD-Jan 1994	$16.26		-	45437
MINT GTD LTD-Dec 1994	$14.21		-	45438
MINT GTD LTD-Aug 1995	$11.54		-	46770
MINT GTD (Pacific) LTD (A)	$10652.72		-	47445
MINT GTD (Pacific) LTD (B)	$10568.65		-	47446
MINT Alcabaf Gtd Ltd	$105.94		-	47447
FRME MINT GTD PLC	$123.12		-	46491
MINT Sp Rm Ltd (BNP)	$110.69		-	47448
MGA Pacific Ltd	A$1.12		-	47657
Manila Fund (Cayman) Ltd				
Manila Fd NAV June 13	$8.07		-	-
Meridian Funds				
Money Market	$1.00		7.60	47449
US Govt Income	$9.95		-	47450
Global Govt Income	$10.66		-	47451
Global Equity	$12.35		-	47453
Multi-Currency	$10.95		-	47452
Morgan Stanley Japanese Warrant Fund NV				
NAV	$25.0774		-	42142
Murray, Johnstone (Inv. Adviser)				
American P'folio June 14	$28.40	30.43	-	45478
European P'folio June 14	10.09	10.80	-	48002
Japan P'folio June 14	$211.11	226.14	-	45479
Pacific P'folio June 14	$11.88	12.73	-	45480
NICS Europe and Income Fund				
U.S $	$11.81		-	45496
NM Financial Mngt Intl Ltd				
NM Hong Kong Fd	HK$25.900	27.553	7.54	45500
Int Resident Prop Fd	£0.935	1.045	4.00	45501
National Mutual Insce Co (Bermuda) Ltd				
Nm Intl Mngd Fund	$14.46	15.39	-	45545
Newport International Management				
Npt. Intl. Securities	$39.22		-	45555
Npt. Intl. Inc. Fd	$18.82		-	45556
Npt. Pacific	$27.78		-	45557
Nomura Warrant Fund 1990 Ltd				
NAV	$8.94		-	-
North Star Fund Managers (Cayman) Ltd				
Invest Fund	DKr272.0	273.0	-	45568
Low Risk Fund	DKr213.0	214.0	-	45569
High Perf Fund	DKr257.0	258.0	-	45570
Bond Fund	DKr161.0	162.0	-	45571
Second Low Risk Fd	DKr173.0	174.0	-	45572
Second High Perform Fd	DKr206.0	207.0	-	45573
Mixed Intl Fd	DM143.0	144.0	-	45574
Invest. Fd (Cayman)	DKr122.0	123.0	-	46565
High Perf Fd (Cayman)	DKr131.0	132.0	-	46566
Bond Fd (Cayman)	DKr121.0	122.0	-	46567
Mixed Fd (Cayman)	DM116.0	117.0	-	46568
High Security Fd	DKr138.0	139.0	-	46569
High Income Fd	£10.0	10.1	-	46570
Optima Fund Ltd				
NAV June 8	$12.76		-	48003
Orbis Investment Management Ltd				
Orbis Global Eqty	$10.17	10.69	-	47945
Orbis Optimal Eqty	$11.27	11.84	-	47947
Orbis Leveraged Eqty	$11.14	11.78	-	47946
* Prices on June 14 Next Pricing June 21 Weekly Pricing				
Orbitex Bahamas Ltd				
Orbitex Growth Fund	$5.6603	6.2263	-	45581
Orbitex Nat Res Fd	C$7.2782	8.0060	-	45582
ORIENT Growth Fd				
NAV	$10.37		-	47655
PAM Futures Trading (Cayman) Ltd				
NAV June 11	$462.43		-	47463
PFC Internatl Portfolio Fd Mngt Ltd				
Specialist Growth Fd	$2.83	2.98	-	45583
Balanced Growth Fd	$2.36	2.48	-	45584
Sterling Income Fd	£1.63	1.72	-	45585
Strategic Reserve Fd	$0.98	1.03	-	45586
PFC-LCC & B	$10.17	10.84	-	53769
PFC Cap Global P'folio	$10.12		-	43768
PRS International				
PRS Value Fd	$948.08		-	45587
PRS Acq'tion Arbitrage	$20.74		-	47864
PRS Managed Futures	$12.95		-	47865
PRS Hedged Equities	$11.04		-	47866
PRS Fixed Rate	$10.07		-	-
Pacific Growth Fund				
NAV	$19.79		-	45589
Paribas Soleil Fund				
NAV US$	$9.94		-	47464
Parinter Bond Fund SA				
NAV	$13.90		-	45590
Portugese Investment Fund Ltd				
NAV June 14	$94.7755		-	-
Prospect H I Port N.V.				
Prospect HI Port	$8.375	8.625	-	47466
Do NAV June 8	$5.56		-	47467
Protected Performance Fund				
Performance Fund*	$-		-	45609
*Weekly dealing on Tuesday				
Putnam International Advisers Ltd				
Emrg Hlth Sci	$20.50		-	45646
Emrg. Info. Sci	$17.07		-	45647
High Income GNMA	$9.32		-	45648
International Fund	$12.33		-	45649
Global Hi Gth Fnd	$13.99		-	45650
Global Govt. Inc. Tst	$15.06		-	45651
Quantum Fd NV Curacao				
Quantum Fund	$14,782	15,069	-	45652
Quilter International Management Ltd				
Quadnt. Intcl. Bond	$0.97	1.02	-	45655
Quadnt. Intcl. Euro	$3.04	3.19	-	45656
Quadnt. Intcl. F East	$3.29	3.45	-	45657
Quadnt. Intcl. N. Amer	$2.07	2.17	-	45658
Real Estate Strategies Ltd				
IRES International	C$- 1000.00		-	47870
Rothschild Asset Management (CI)				
OC Commodity	154.7	165.5	3.1	45661
NM Rothschild Asset Management Limited				
Tokyo Pac (Seabrd)	$183.01		-	45597
Royal Trust Asset Mngmt (Singapore) Ltd				
Asian Spec Sits	$14.37	15.10	-	47566
Canadian Growth	C$9.84	10.35	-	47567
Indonesian Growth	$17.82	18.73	-	47568
Managed Currency	$11.04	11.11	-	47569
Nippon Shoken	$10.54	11.08	-	47570
Pacific Growth	$11.21	11.79	-	47571
Worldwide Growth	$11.23	11.81	-	47573
Asia-Pacific Growth	S$1.470	1.530	-	47565
Singapore Growth	S$1.090	1.150	-	47572
Royal Trust North American Bond Fd				
NAV June 15 US$9.09				
Sabre Fund Mngt Ltd				
Futures Fd $	$19.98		-	45742
Financial "A" $	$11.38		-	45743
Schroder Investment Management Limited				
Cap US Equity June 14	$8.47		2.13	45760
Vanguard Sm Cos June 14	$11.34		-	45762
Schroder Japanese Warrant Fund				
Undiluted NAV June 14	$11.84		-	-
Diluted NAV June 14	$11.46		-	46022
Schroders Asia Limited				
Asian Fund	$10.44	11.00	-	45768
Balanced Inv Fd	HK$10.89	11.47	-	42144
Currency & Bond Fd Inc	$1.59	1.69	-	45769
Currency & Bond Fd Acc	$4.43	4.69	-	45770
Energy Fund	$7.46	7.86	-	45771
European Fd	$6.66	7.02	-	46162
Far Eastern Gwth Fd	$4.85	5.11	-	42261
Far Eastern Wrrt Fd	$10.34	10.89	-	42262
Gold Fund	$3.24	3.42	-	45773
Hong Kong Fd	HK$14.96	15.75	-	45774
International Trust	$7.45	7.85	-	45775
Intl Wrrt Fd	$10.27	10.82	-	42479
Japan Fund	$8.65	9.11	-	45776
North American Fund	$5.83	6.15	-	45772
Schroders Australia Ltd				
Schroder Aust Sh	A$5.29	5.59	-	45777
Scimitar Bermuda Funds				
Scimitar Futures Fd	$1.820	1.912	-	44944
Guaranteed Fd	$7.85		-	47470
Guaranteed Currency Fd	$9.01		-	43044
Scudder, Stevens & Clark Inc				
Sovereign High Yield Inv	$20.00		-	47936
Segespar Securities (Bermuda) Ltd				
Gran Vay Ltd NAV May 31	$17,169.18		-	47471
The Siam Fund (Cayman) Ltd				
Siam Fd NAV June 13	$29.12		-	45298
Siam Smaller Companies Fund Ltd				
Royal Trust Asset Management (Asia) Ltd				
NAV June 14	$14.78		-	47860
Singer & Friedlander Ldn. Agents				
Tokyo Tst. NAV May 31	$16.875		0.7	45795
Smaller Cos Tst May 31	131.5	138.5	4.5	45796
Skandifond				
Skandinaviska Enskilda Banken				
Equity Int. Acc	$13.02	13.68	-	45798
Equity Global	$1.30	1.37	-	47472
Far East	$2.09	2.20	-	45801
Equity Gold	$0.86	0.92	-	45803
Equity Japan Acc	Y135	143	-	46467
Equity Nordic	$1.53	1.62	-	47473
Equity UK	£1.17	1.24	-	47474
Equity Contl Europe	$1.42	1.50	-	47475
Equity Mediterranean	$1.26	1.33	-	47476
Equity North America	$1.35	1.4	-	47477
Bond Int. Acc	$8.31	8.57	-	45800
Bond DEM Acc	DM0.91	0.93	-	47575
Bond Dollar Acc	$1.01	1.03	-	47574
Bond Sweden Acc	SKr10.24	10.36	-	47578
High Income Acc	$1.14	1.18	-	46469
Multicurrency	$1.2099	1.2220	-	45802
Societe Generale Merchant Bank plc				
FFr Second Marche Gwth	[illegible]	[illegible]	-	45804
Sedific Asset Management Inc				
SAM Diversified Inc	105.29		-	47480
Sovereign Portfolio Management				
Currency & Gold	$116.03		-	47481
Intl Futures Pool	$132.60		-	47482
Sterling Offshore Fund Admin. Ltd.				
Property Reversions	£0.99	1.04	-	45818
Sterling Fxd Int	£0.82	0.87	14.37	45819
Stronghold Investment Mgrs (Bermuda) Ltd				
Stronghold Int Bond	$267.04		-	46764
Taipei Fund				
c/o Prudential-Bache Capital Funding (Equities) Ltd				
NAV NT$1923.40 DR US$69.99 (June 14)				
Templeton Galbraith & Hansberger Ltd				
Global Inc June 12	$9.83	10.47	-	46592
The Thai Prime Fund Limited				
NAV June 8	$22.50		-	47484
The Thailand Fund				
NAV June 15 Baht 1,066,846.89 IDR value US$41,310.62				
The Thailand Growth Fund				
NAV June 8 US$21.06				
The Thailand Intl Fund Ltd				
Fidelity International Ltd				
NAV June 8	$27.57		-	46846
T. Rowe Price Associates, Inc				
TRP Fr Gr Ltd NAV May 31	$10.35		-	47485
Thornton Investment Management Ltd				
Kangaroo Fund	$9.86	10.3530	-	45842
Eastern Crusader	$11.09	11.6445	-	45843
Global Access Fd	$12.04	12.6420	-	46163
Golden Opps Fund	$5.09	5.3445	-	45845
HK & China Gateway Fd	$14.27	14.9835	-	45846
Intl Opps Fund	$2.14	2.24	-	45847
Kabuto-Cho Fund	$8.89	9.3345	-	46280
Little Dragons Fund	$27.71	29.0955	-	45849
Pacific Technology Fd	$11.25	11.8125	-	45854
Philippines Redevt Fd	$33.66	35.3430	-	45855
Tiger Fund	$34.31	36.0255	-	45856
Japan Fund	$33.98	35.6790	-	45848
Oriental Inc Fund	$24.42	25.6410	-	45850
Pacific Inv Fd SA £	£11.26	11.8230	-	45851
Pacific Inv Fd SA DM	DM32.63		-	47595
Pacific Inv Fd Wrts £	£6.26		-	45853
Pacific Inv Fd Wrts DM	DM18.13		-	47594
Jakarta Comp NAV June 15	$22.19		-	47593
Global Index Fund				
ASE 50 Ldrs Index	$13.64	-	-	46281
FTSE 100 Index	$10.00	-	-	46282
Hang Seng Index	$15.76	-	-	46283
S & P 500 Index	$14.61	-	-	46284
Nikkei Stock Average	$10.60	-	-	46285
New Tiger Selections Fund				
Thailand	$11.78	-	-	43045
Malaysia	$10.13	-	-	43046
Indonesia	$9.83	-	-	43048
Three-Way Asset Allocation Funds				
TWAA Fund I*	$104.95	105.01	-	46806
TWAA Fund II*	$89.04	89.09	-	46807
* Prices as at June 15				
Tudor BVI Futures Ltd				
NAV June 13	$5699.01		-	-
Tyndall International (Bermuda) Ltd				
American Special Sits	$48.10	50.51	-	45878
Capital Protection June 15	$10.59	11.12	-	47937
Commodity June 15	$27.32	28.69	-	45874
Eurobond	$28.54	29.98	-	45873
Money June 15	$34.91	36.66	6.83	45872
Mortgage June 15	C$13.99	14.69	-	45875
North American	$39.90	41.90	-	45871
Overseas	$29.07	30.53	-	45876
Pacific Gold	$3.83	4.03	-	45879
Tiger	$47.41	49.79	-	45877
Union-Investment-Gesellschaft GmbH				
Unifonds	DM36.69	38.60	-	45926
Unirak	DM76.61	80.45	-	45927
Unirenta	DM35.23	36.30	-	45928
Warburg Inv Mngmt (Isle of Man) Ltd				
Mercury 90:10 Trust (Gtd)				
Dollar Fd EOPUPs	$10.26	10.27	-	46164
Dollar Fd OPUPs	$10.53	10.60	-	46165
Sterling Fd EOPUPs	£10.27	10.78	-	46166
Sterling Fd OPUPs	£11.40	11.47	-	46167
DM Fd EOPUPs	DM10.03	10.04	-	46168
DM Fd OPUPs	DM13.20	10.35	-	46169
Yen Fd EOPUPs	$7.54	7.55	-	46170
Yen Fd OPUPs	$10.43	13.50	-	46171
Wardley Investment Services Ltd				
Wardley S.E. Asia Tst	$13.30	13.98	0.79	45993
Japanese Warrants	$9.91	10.5	-	42487
Asian Warrants	$9.79	10.37	-	42488
European Warrants	$10.06	10.64	-	42489
Managed	HK$9.66	10.29	-	-
Wells Fargo U.S. IT Fund				
NAV June 14	$10.34		-	47859
Xiphias International Investment Fd Ltd				
Xiphias Int USD	$1.0253		-	46024
Xiphias Int ECU	Ecu1.0241		-	46025

Money Market Trust Funds

	Gross	Net	Gr Eqv CAR	City-line
CAF Money Management Co Ltd				
48 Pembury Road, Tonbridge TN9 2JD 0732 770114				
Calcash Deposit Fd	14.69	-	15.52	-
The COIF Charities Deposit Account				
2 Fore Street, London EC2Y 5AQ 071-588 1815				
Deposit	14.75	-	15.59	-
Cent. Bd. of Fin. of Church of England				
2 Fore Street, London EC2Y 5AQ 071-588 1815				
Deposit	14.90	-	15.75	40253
Gartmore Money Management Ltd				
2-3 White Hart Yard, London SE1 1NX 071-236 1425				
Call Fnd	14.27	11.13	15.23	-
7-day Fund	14.39	11.22	15.38	-
Special Fund	14.62	-	15.01	-
Dollar	6.87	5.36	7.26	-

Money Market Bank Accounts

	Gross	Net	Gr Eqv CAR	City-line
Aitken Hume Bank plc				
30 City Road, EC1Y 2AY 071-638 6070				
Treasury Acc	13.50	10.53	14.60	-
HI Int Chq £1,000-14,999	13.50	10.53	14.73	-
HI Int Chq £15,000-49,999	14.00	10.92	15.31	-
HI Int Chq £50,000+	14.50	11.31	15.88	-
Allied Trust Bank Ltd				
97-101 Cannon St, London, EC4N 5AD 071-629 6802				
DMMA (£2,001+)	14.78	11.53	16.210	-
HICA (£2,001+)	13.90	10.84	15.196	-
PROMMA (£250,001+)	14.90	11.62	16.349	-
American Express Bank Ltd				
c/o American Express Financial Services Limited 49 The Martlets, Burgess Hill West Sussex, RH15 9NW 0444 870088				
High Performance Cheque Account				
£1,000-£4,999	12.16	9.50	12.87	-
£5,000-£9,999	12.30	9.60	13.01	-
£10,000-£24,999	12.81	10.00	13.59	-
£25,000+	13.58	10.60	14.46	-
Bank of Ireland High Interest Cheque Acc				
36 Queen St, EC4P 1BN 071-625 7000				
2,000-9,999	13.782	10.750	14.927	-
£10,000+	14.103	11.000	15.283	-
Bank of Scotland				
38 Threadneedle St, EC2P 2EH 071-601 6746				
HIB Chq Acc £2,500-£24,999	13.4	10.45	14.62	-
£25,000+	13.65	10.64	14.91	-
Barclays Capital Advantage Account				
94 St Paul's Churchyard EC4M 8EH 071-248 9155				
£10,000-£24,999	14.00	10.90	15.13	-
£25,000-£49,999	14.25	11.20	15.57	-
£50,000+	14.50	11.40	15.87	-
Barclays Prime Account H.I.C.A.				
PO Box 125, Northampton 0604 252891				
£1,000-£2,499	11.80	9.20	12.70	-
£2,500-£9,999	12.20	9.50	13.13	-
£10,000-£24,999	12.80	10.00	13.84	-
£25,000+	13.10	10.25	14.20	-
Benchmark Bank PLC Premier Account				
86 Newman Street, W1P 3LD 071-631 3313				
Small Deposits	10.50			-
£2,500-£10,000	13.50	10.53	14.60	-
£10,001-£20,000	13.75	10.73	14.89	-
£20,000+	14.50	11.31	15.73	-
B & C Merchant Bank PLC Portfolio Acc				
19 Motcomb Street, London SW1X 8LB 071-245 6616				
£2,500-£9,999	12.38	9.65	13.28	-
£10,000-£49,999	13.75	10.73	14.94	-
£50,000 and above	14.25	11.12	15.50	-
Brown Shipley & Co Ltd				
Founders Court, Lothbury, London EC2 071-606 9833				
HICA	14.00	10.92	15.17	-
Prof Demand A/c	13.375	10.435	14.46	-
Caledonian Bank Plc				
8 St Andrew Square, Edinburgh EH2 2PP 031 556 8235				
HICA	14.50	11.35	15.13	-
Cater Allen Ltd				
25 Birchin Lane, London EC3V 9DJ 071-623 2070				
HICA	13.50	10.53	14.7328	-
Consort £5,000 min	14.00	10.92	15.3113	-
Charterhouse Bank Limited				
1 Paternoster Row EC4M 7DH 071-248 4000				
£2,500-£19,999	13.25	10.34	14.45	-
£20,000-£49,999	13.50	10.53	14.74	-
£50,000-£99,999	13.75	10.73	15.02	-
£100,000+	14.00	10.92	15.31	-
$5,000-$49,999	7.00	5.46	7.47	-
$50,000-$99,999	7.25	5.66	7.74	-
$100,000-$199,999	7.50	5.85	8.01	-
$200,000+	7.75	6.05	8.29	-
Many other currencies are available—for rates please phone ext. 2168				
Citibank Savings				
St Martins Hse Hammersmith Grove W6 081-741 4941				
Money Market Plus				
£2,000-£24,999	11.00	8.50	11.79	-
£25,000	11.50	9.00	12.51	-
Clydesdale Bank PLC				
30 St Vincent Place, Glasgow G1 2HL 041 248 7070				
HICA £2,000-£9,999	12.2	9.52	13.15	-
£10,000-£19,999	13.0	10.14	14.04	-
£20,000-£49,999	13.2	10.30	14.27	-
£50,000+	13.7	10.69	14.83	-
Co-operative Bank Top Tier				
78-80 Cornhill EC3 0800 616162				
£500-£999	10.2	8.0	10.9	-
£1,000-£2,499	11.5	9.0	12.3	-
£2,500-£9,999	12.1	9.5	13.0	-
£10,000-£49,999	13.4	10.5	14.4	-
£50,000+	13.7	10.75	14.7	-
Coutts & Co				
Reserve Account				
440 Strand, London WC2R 0QS 071-753 1000				
For personal customers				
£50,000+	13.375	10.125	14.02	-
£20,000-£49,999	13.25	10.00	13.84	-
£5,000-£19,999	12.75	9.625	13.30	-
For businesses, charities and societies				
£100,000-£1,000,000	13.625	10.625	14.74	-
£25,000-£99,999	13.50	10.375	14.38	-
£10,000-£24,999	12.50	9.875	13.66	-
Coutts Composite Account for clients money				
27 Bush Lane, London EC4R 0AA 071-623 3434				
Rates negotiable up to	14.25	11.125	-	-
Dartington & Co Ltd				
10 The Crescent, Plymouth PL1 3AB 0752 673873				
Money Mkt Acc	13.75	10.72	14.94	-
Edington Plc				
1 King Street, Manchester M2 6AW 061 834 2535				
HICA (£1,000+)	14.3125	11.16	15.51	-
Money Market Deposit Account				
£1-£999	10.00	7.800	10.80	-
£1,000-£24,999	13.25	10.335	14.52	-
£25,000-£249,999	14.375	11.21	15.74	-
£250,000-£999,999	14.625	11.407	16.03	-
£1,000,000 upwards	14.625	11.407	16.03	-
Ninety Day Notice Account				
£10,000-£24,999	14.75	11.505	15.34	-
£25,000 upwards	15.125	11.7975	15.73	-
Financial & General Bank plc				
13 Lowndes Street, London, SW1X 9EX 071-235 0036				
H I D A £5,000-£15,000	13.40	10.50	14.70	-
H I D A £15,000+	13.67	10.70	15.00	-
Gartmore Money Management Ltd				
2-3 White Hart Yard, London SE1 1NX 071-236 1425				
Money Mngt. Acct.	13.625	10.63	14.75	-
Girobank plc High Interest Cheque Acc				
10 Milk St., London EC2V 8JH 071-600 6020				
£1,000-£3,999	10.75	9.25	12.33	-
£4,000-£9,999	11.00	9.50	12.67	-
£10,000-£49,999	11.75	10.00	13.33	-
£50,000	12.75	10.50	14.00	-
Humberclyde Finance Group				
Challey Ct, Winchester Rd, Basingstoke 0256 841863				
£50,000+	15.00	11.70	16.39	-
Lloyds Bank – Investment Account				
71 Lombard St, London EC3P 3BS 071-325 3643				
£25,000+	14.5	11.7	15.6	-
£10,000+	14.10	11.3	15.1	-
£5,000+	13.9	10.5	14.0	-
Below £5,000	7.7	5.5	7.3	-
M & G/Kleinwort Benson				
M & G Hse., Victoria Rd, Chelmsford 0245 266266				
H.I.C.A. (£2,500+)	13.25	10.335	14.47	-
Midland Bank plc				
PO Box 2, Sheffield. 0742 528655				
High Int Chq Acc	12.18	9.50	13.13	-
£10,000+	12.82	10.00	13.84	-
£50,000+	13.46	10.50	14.56	-
Premier Savings £5,000+	14.10	11.00	15.07	-
Exchequer Acc £20,000+	14.74	11.50	15.77	-
NatWest Special Reserve Account				
41 Lothbury, London, EC2P 2BP 071-374 3374				
£25,000 and above	13.25	10.00	13.84	-
£10,000 to £24,999	12.75	9.625	13.30	-
£2,000-£9,999	12.5	9.375	12.95	-
£500-£1,999	11.75	9.00	12.41	-
Provincial Bank PLC				
30 Ashley Rd, Altrincham, Cheshire 061-928 9011				
H I C.A. (£1,000+)	14.125	11.02	15.45	-
Royal Bank of Scotland plc Premium Acc				
42 St Andrew Sq, Edinburgh EH2 2YE 031-229 3658				
£50,000+	13.98	10.90	15.14	-
£25,000-£49,999	13.79	10.75	14.92	-
£10,000-£24,999	13.59	10.60	14.71	-
£2,500-£9,999	12.50	9.75	13.49	-
Save & Prosper/Robert Fleming				
28 Western Rd, Romford RM1 3LB 0708 766966				
H.I.B.A	13.25	10.34	14.52	-
Sterling Bank & Trust Ltd				
Abbey Gdns, 6 Abbey St, Reading RG1 3BA 0734 592549				
HIDA £2,500+	13.70	10.69	14.63	-
TSB Bank plc (England & Wales)				
100 Lower Thames St, London EC3R 6AE 071-623 6000				
HICA £1-£499	7.00	5.50	7.30	-
£500-£1,999	9.50	7.50	10.00	-
£2,000-£9,999	11.50	9.00	12.00	-
£10,000-£24,999	11.75	9.30	12.40	-
£25,000+	12.25	9.60	12.80	-
Tyndall & Co Ltd				
29-33 Princess Victoria St, Bristol 0272 744720				
Demand Acc	13.75	10.73	14.93	-
HIMA	13.75	10.73	14.93	-
HIMA £100,000+	14.00	10.92	15.22	-
Client Plus Acc	13.37	10.43	14.46	-
J. Henry Schroder Wagg & Co Ltd				
120 Cheapside, London EC2V 6DS 071-382 6000				
Special Acc	13.75	10.72	15.02	-
£10,000 and above	14.000	10.92	15.33	-
Western Trust High Interest Cheque Acc				
The Moneycentre, Plymouth PL1 1SE 0752 224141				
£25,000+	14.50	11.31	15.73	-
£5,000-£24,999	14.25	11.12	15.45	-
£1,000-£4,999	14.00	10.92	15.17	-
Wimbledon & South West Finance Co Ltd				
114 Newgate St, London EC1 7AE 071-606 9485				
High Int Cheque Acc	14.50	11.31	15.73	-

NOTES–Gross rate to those exempt from composite rate of tax. Net: actual rate after deduction of CRT or Super CRT. Gross equivalent to basic rate taxpayers. Compounded annual rate int Cr frequency interest credited.

MANAGED FUNDS NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % allow for all buying expenses. Prices of certain older insurance linked plans subject to capital gains tax on sales. b Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Previous day's price. ♦ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡ Only available to charitable bodies. ♦ Yield column shows annualised rates of NAV increase. xd Ex dividend.

(**) Funds not SIB recognised. The regulatory authorities for these funds are: Guernsey: Financial Services Commission; Isle of Man: Financial Supervision Commission; Jersey: Commercial Relations Department; Luxembourg: Institut Monetaire Luxembourgeois.

CURRENCIES, MONEY AND CAPITAL MARKETS

MONEY MARKETS

Germany leans on the accelerator

THE ACCELERATOR on European Monetary Union is being pushed down by the West German Bundesbank and some countries may enjoy the ride more than others. Mr Karl Otto Pöhl, the Bundesbank president, has spoken recently of a two-speed move towards unity which observers have compared to a journey down the autobahn, with low inflation countries, such as Germany, France, and the Benelux group, in the fast lane. Others such as Italy willing but not yet able to compete will be in a slower lane, with Spain, Portugal, Ireland and Greece moving even slower. It is assumed that the UK will move like a laden lorry in the inside lane.

The British attitude towards full EMS membership and eventual monetary union has received much attention, and countries like Portugal have far fewer reservations, but this does not mean that the decision to join is any easier.

It comes down to the key question of inflation, and the social cost to countries such as Portugal in trying to stay in line with Germany. Inflation in the proposed fast lane ranges from 2.3 per cent in the Netherlands to 3.5 per cent in Luxembourg. The rate in Portugal is about 13 per cent and, according to European Community forecasts, the situation in Greece is even worse.

The problem is that the inflation gap between these countries and their richer neighbours to the north may widen. For Portugal, for example, this could mean a period of austerity that the Lisbon Government - facing an election next year - may not be willing to face.

UK clearing bank base lending rate 15 per cent from October 5

£ IN NEW YORK

June 15	Close	Previous Close
£ Spot	1.6880-1.6887	1.7080-1.7090
1 month	0.92-0.91pm	0.92-0.91pm
3 months	2.71-2.68pm	2.71-2.69pm
12 months	9.29-9.22pm	9.20-9.13pm

Forward premiums and discounts apply to the US dollar

STERLING INDEX

	June 15	Previous
8.30 am	90.7	90.5
9.00 am	90.8	90.5
10.00 am	90.8	90.5
11.00 am	90.8	90.6
Noon	90.5	90.6
1.00 pm	90.6	90.6
2.00 pm	90.5	90.5
3.00 pm	90.6	90.5
4.00 pm	90.6	90.6

CURRENCY RATES

June 15	Bank rate %	Special* Drawing Rights	European † Currency Unit
Sterling	-	0.767735	0.713345
U S Dollar	7	1.31513	1.21625
Canadian $	13.32	1.53857	1.42606
Austrian Sch.	6½	N/A	14.4929
Belgian Franc	10¼	45.6482	42.3530
Danish Krone	10½	8.43656	7.83997
Deutsche Mark	6.00	N/A	2.05936
Neth. Guilder	7.00	2.49414	2.31903
French Franc	10¼	7.45481	6.93021
Italian Lira	13½	1626.39	1511.80
Japanese Yen	5¼	202.530	187.826
Norway Krone	8	8.50758	7.89774
Spanish Peseta	-	136.960	127.135
Swedish Krona	11	8.00914	7.43556
Swiss Franc	6.00	1.87472	1.74836
Greek Drach	20½	N/A	201.278
Irish Punt	-	N/A	0.767982

† European Commission Calculations.
* All SDR rates are for June 14

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Close	High	Low	Prev
Jun	94-10	95-10	94-01	94-31
Sep	94-01	95-02	93-24	94-23
Dec	93-24	94-24	93-15	94-14
Mar	93-16	94-10	93-10	94-07
Jun	93-08	94-03	93-04	94-00
Sep	93-01	93-08	93-00	93-25
Dec	92-26	93-02	92-26	93-19
Mar	92-20	92-28	92-20	93-13
Jun	92-14	-	-	93-08
Sep	92-08	-	-	93-03

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Close	High	Low	Prev.
Jun	92.28	92.29	92.25	92.29
Sep	92.52	92.64	92.49	92.62
Dec	92.54	92.68	92.52	92.66
Mar	92.57	-	92.57	92.69
Jun	92.47	-	92.47	92.53

SWISS FRANC (IMM) SFr 125,000 $ per SFr

	Close	High	Low	Prev.
Jun	0.6981	0.6994	0.6917	0.6964
Sep	0.6971	0.6988	0.6906	0.6956
Dec	0.6966	0.6980	0.6905	0.6951
Mar	0.6974	-	-	0.6959

PHILADELPHIA SE £/$ OPTIONS £31,250 (cents per £1)

Strike Price	Calls Jun	Calls Jul	Calls Aug	Calls Sep	Puts Jun	Puts Jul	Puts Aug	Puts Sep
1.550	15.70	15.70	15.70	15.90	-	-	-	0.10
1.575	13.20	13.20	13.20	13.40	-	-	0.04	0.28
1.600	10.80	10.70	10.70	10.90	-	-	0.17	0.60
1.625	8.30	8.20	8.20	8.40	-	-	0.43	1.20
1.650	5.80	5.90	5.90	6.02	-	0.19	0.86	1.76
1.675	3.30	3.57	3.79	4.12	-	0.66	1.63	2.72
1.700	1.05	1.84	2.23	2.80	-	1.57	2.69	4.04

Previous day's open int. Calls 411,966 Puts 439,779 (All currencies)
Previous day's volume: Calls 14,481 Puts 19,606 (All currencies)

CURRENCY MOVEMENTS

June 15	Bank of England Index	Morgan** Guaranty Changes %
Sterling	90.6	-21.3
U.S Dollar	67.9	-10.5
Canadian Dollar	104.0	+1.1
Austrian Schilling	109.4	+11.3
Belgian Franc	111.0	-2.5
Danish Krone	109.9	+4.4
Deutsche Mark	117.7	+23.7
Swiss Franc	113.2	+22.1
Guilder	113.9	+15.7
French Franc	103.8	-12.6
Lira	100.8	-18.5
Yen	120.7	+49.5

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (Base Average 1985=100)**Rates are for June 14.

POUND-$ (FOREIGN EXCHANGE)

Spot	1-mth.	3-mth.	6-mth.	12-mth.
1.7065	1.6974	1.6795	1.6543	1.6145

IMM-STERLING $e per £

	Close	High	Low	Prev.
Jun	1.7100	1.7150	1.7002	1.7080
Sep	1.6830	1.6870	1.6730	1.6816
Dec	1.6584	1.6640	1.6480	1.6568

OTHER CURRENCIES

June 15	£	$
Argentina	8522.90 - 8529.60	4990.00 - 5010.00
Australia	2.1930 - 2.1950	1.2885 - 1.2895
Brazil	93.9400 - 95.0200	56.0000 - 55.6000
Finland	6.7605 - 6.8156	3.9830 - 3.9860
Greece	280.58 - 285.05	163.55 - 166.25
Hong Kong	13.2685 - 13.2825	7.7845 - 7.7865
Iran	119.60*	69.90*
Korea(Sth)	1212.45 - 1232.00	713.00 - 718.60
Kuwait	0.49860 - 0.49960	0.29220 - 0.29260
Luxembourg	59.35 - 59.45	34.75 - 34.85
Malaysia	4.6170 - 4.6285	2.7105 - 2.7125
Mexico	4852.40 - 4856.95	2841.00 - 2842.00
N. Zealand	2.9240 - 2.9285	1.7175 - 1.7185
Saudi Ar.	6.3995 - 6.4050	3.7495 - 3.7505
Singapore	3.1500 - 3.1570	1.8480 - 1.8500
S. Af (Cm)	4.5510 - 4.5535	2.6685 - 2.6700
S. Af (Fn)	6.8220 - 6.9610	4.0000 - 4.0815
Taiwan	46.70 - 46.80	27.40 - 27.45
U.A.E.	6.2655 - 6.2725	3.6720 - 3.6730

*Selling rate

JAPANESE YEN (IMM) Y12.5m $ per Y100

	Close	High	Low	Prev.
Jun	0.6495	0.6508	0.6460	0.6484
Sep	0.6512	0.6526	0.6465	0.6499
Dec	0.6528	0.6540	0.6497	0.6513

DEUTSCHE MARK (IMM) DM125,000 $ per DM

	Close	High	Low	Prev.
Jun	0.5926	0.5937	0.5870	0.5899
Sep	0.5926	0.5940	0.5870	0.5899
Dec	0.5919	0.5927	0.5860	0.5892

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Close	High	Low	Prev.
Jun	91.67	91.71	91.65	91.71
Sep	91.73	91.87	91.71	91.82
Dec	91.66	91.82	91.64	91.78
Mar	91.63	91.80	91.62	91.75
Jun	91.50	91.61	91.48	91.57
Sep	91.37	91.46	91.35	91.44
Dec	91.22	91.30	91.19	91.29
Mar	91.18	91.26	91.14	91.24

STANDARD & POORS 500 INDEX $500 times index

	Close	High	Low	Prev.
Sep	367.95	369.10	365.70	363.30
Dec	372.70	373.85	370.50	368.50
Mar	376.70	377.60	374.70	373.15

POUND SPOT- FORWARD AGAINST THE POUND

June 15	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.6995 - 1.7105	1.7060 - 1.7070	0.92-0.90cpm	6.40	2.72-2.69pm	6.34
Canada	1.9930 - 2.0020	1.9960 - 1.9970	0.23-0.15cpm	1.14	0.66-0.53pm	1.19
Netherlands	3.24¼ - 3.26½	3.24¾ - 3.25¾	1¾-1⅝cpm	6.23	5¼-4⅞pm	6.15
Belgium	59.35 - 59.70	59.35 - 59.45	26-24cpm	5.05	76-73pm	5.02
Denmark	10.98½ - 11.05¼	10.99¾ - 11.00¾	3⅝-3⅛orepm	3.82	11⅛-10⅝pm	3.98
Ireland	1.0730 - 1.0810	1.0775 - 1.0785	0.40-0.35cpm	4.17	1.16-1.05pm	4.10
W. Germany	2.88½ - 2.90	2.88¾ - 2.89¾	1⅝-1½pfpm	6.49	4¾-4½pm	6.40
Portugal	252.60 - 254.20	253.20 - 254.20	37-19cpm	1.32	7-33dis	-0.32
Spain	178.00 - 179.10	178.35 - 178.65	2-4cdis	0.20	7-4pm	0.12
Italy	2117 - 2121¾	2120¼ - 2121¼	7-6lirepm	3.68	19-18pm	3.49
Norway	11.06½ - 11.11½	11.07½ - 11.08½	3⅛-2⅝orepm	3.18	9⅛-8⅝pm	3.20
France	9.70¼ - 9.75¼	9.71¼ - 9.72¼	4¼-4⅛cpm	5.17	11⅝-11⅛pm	4.73
Sweden	10.41¼ - 10.46¾	10.43 - 10.44	2⅜-2⅛orepm	2.59	6¾-6⅛pm	2.37
Japan	262½ - 264¼	262½ - 263½	1⅝-1½ypm	7.41	4⅞-4¾pm	7.52
Austria	20.31 - 20.43	20.39 - 20.42	11-10⅛gropm	6.21	31½-29¾pm	3.21
Switzerland	2.44½ - 2.46	2.44½ - 2.45½	1¼-1⅛cpm	5.82	3⅝-3½cpm	5.82
ECU	1.3990 - 1.40015	1.3995 - 1.4005	0.57-0.54cpm	4.76	1.60-1.55pm	4.50

Commercial rates taken towards the end of London trading. Six-month forward dollar 5.25-5.20cpm 12 month 9.25-9.15cpm

DOLLAR SPOT- FORWARD AGAINST THE DOLLAR

June 15	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.6995 - 1.7105	1.7060 - 1.7070	0.92-0.90cpm	6.40	2.72-2.69pm	6.34
Ireland†	1.5750 - 1.5860	1.5790 - 1.5800	0.34-0.29cpm	2.39	0.97-0.87pm	2.33
Canada	1.1690 - 1.1735	1.1720 - 1.1730	0.50-0.53cdis	-5.27	1.51-1.56dis	-5.24
Netherlands	1.9025 - 1.9170	1.9055 - 1.9065	0.01-0.03cdis	-0.13	0.06-0.08dis	-0.15
Belgium	34.75 - 35.00	34.75 - 34.85	1.00-7.00cdis	-1.38	7.00-17.00dis	-1.38
Denmark	6.43¾ - 6.47¼	6.44½ - 6.45	1.25-1.55oredis	-2.61	3.50-4.40dis	-2.45
W. Germany	1.6900 - 1.7035	1.6925 - 1.6935	0.04-0.02pfpm	0.21	0.04-0.02pm	0.07
Portugal	146.50 - 148.90	148.60 - 148.70	55-65cdis	-4.84	230-250dis	-6.46
Spain	104.30 - 105.00	104.85 - 104.95	50-60cdis	-6.29	160-175dis	-6.39
Italy	1240½ - 1249¼	1242¾ - 1243¾	2.70-3.20liredis	-2.85	8.50-9.50dis	-2.90
Norway	6.48 - 6.50¾	6.49 - 6.49½	1.55-1.90oredis	-3.19	4.85-4.95dis	-3.02
France	5.68¾ - 5.73	5.69¼ - 5.69¾	0.67-0.72cdis	-1.46	2.31-2.41dis	-1.66
Sweden	6.10½ - 6.13¼	6.11¼ - 6.11¾	1.91-2.06oredis	-3.89	6.00-6.65dis	-4.14
Japan	153.85 - 154.80	154.10 - 154.20	0.14-0.12ypm	1.01	0.38-0.35pm	0.95
Austria	11.89½ - 11.93	11.92¼ - 11.92¾	0.05-0.40grodis	-0.23	0.40-1.50dis	-0.32
Switzerland	1.4325 - 1.4455	1.4345 - 1.4355	0.05-0.08cdis	-0.54	0.15-0.20dis	-0.49
ECU	1.2105 - 1.2210	1.2180 - 1.2190	0.18-0.17cpm	1.72	0.59-0.57pm	1.90

Commercial rates taken towards the end of London trading. † UK, Ireland and ECU are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the individual currency.

EXCHANGE CROSS RATES

June 15	£	$	DM	Yen	F Fr.	S Fr.	H Fl.	Lira	C $	B Fr.
£	1	1.707	2.890	263.0	9.718	2.450	3.253	2121	1.997	59.40
$	0.586	1	1.693	154.1	5.693	1.435	1.906	1243	1.170	34.80
DM	0.346	0.591	1	91.00	3.363	0.848	1.126	733.9	0.691	20.55
YEN	3.802	6.490	10.99	1000.	36.95	9.316	12.37	8065	7.593	225.9
F Fr.	1.029	1.757	2.974	270.6	10.	2.521	3.347	2183	2.055	61.12
S Fr.	0.408	0.697	1.180	107.3	3.967	1	1.328	865.7	0.815	24.24
H Fl.	0.307	0.525	0.888	80.85	2.987	0.753	1	652.0	0.614	18.26
Lira	0.471	0.805	1.363	124.0	4.582	1.155	1.534	1000.	0.942	28.01
C $	0.501	0.855	1.447	131.7	4.866	1.227	1.629	1062	1	29.74
B Fr.	1.684	2.874	4.865	442.8	16.36	4.125	5.476	3571	3.362	100.

Yen per 1,000: French Fr. per 10: Lira per 1,000: Belgian Fr. per 100.

EURO-CURRENCY INTEREST RATES

Jun 15	Short term	7 Days notice	One Month	Three Months	Six Months	One Year
Sterling	14 13/16-14⅞	14⅞-14¾	14 13/16-14⅞	14 13/16-14⅞	14 13/16-14 13/16	14 13/16-14 13/16
US Dollar	8¼-8⅛	8 3/16-8 1/16	8¼-8⅛	8 5/16-8 3/16	8 7/16-8 5/16	8 5/16-8 3/16
Can. Dollar	13⅜-13¼	13⅝-13¼	13 9/16-13 7/16	13½-13¼	13 9/16-13 7/16	12 13/16-12 11/16
D. Guilder	8¼-7¾	8 3/16-7 13/16	8⅛-8⅛	8⅜-8¼	8 7/16-8⅜	8⅝-8½
Sw. Franc	8⅝-8⅜	8⅞-8⅝	8⅞-8¾	8⅞-8¾	8 15/16-8 13/16	8⅞-8¾
Deutschmark	7¾-7⅝	7⅞-7 13/16	8⅛-7 15/16	8¼-8⅛	8⅜-8¼	8 11/16-8 9/16
Fr. Franc	9 13/16-9 11/16	9 15/16-9⅞	9⅝-9⅝	10-9⅞	10⅛-10⅛	10⅜-10¼
Italian Lira	13-11	11-10	11½-11	11½-11	11⅝-11¼	11⅞-11½
Belgian Franc	10⅛-10⅛	10⅛-10	9⅞-9¾	9⅞-9¾	9 15/16-9¾	9 15/16-9 13/16
Yen	7⅛-6 13/16	7¼-7⅛	7⅜-7¼	7⅜-7¼	7¼-7⅜	7½-7⅜
D.Krone	10⅝-10⅜	10⅝-10¼	10⅝-10½	10⅝-10½	10⅝-10¼	10⅞-10¾
Asian $Sing	8¼-8⅛	8¼-8⅛	8¼-8⅛	8⅜-8¼	8⅜-8¼	8½-8⅜

Long term Eurodollars: two years 8¼-8⅝ per cent; three years 8 13/16-8 11/16 per cent; four years 9⅛-8 15/16 per cent; five years 9¼-9 per cent nominal. Short term rates are call for US Dollars and Japanese Yen; others, two days' notice.

FT LONDON INTERBANK FIXING

(11.00 a.m. June 14) 3 months US dollars		6 months US Dollars	
bid 8¼	offer 8⅜	bid 8⅜	offer 8½

The fixing rates are the arithmetic means rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted to the market by five reference banks at 11.00 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque National de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK (4pm)

Prime rate	10
Broker loan rate	9¾
Fed.funds	8¼
Fed.funds at intervention	8¼

Treasury Bills and Bonds

One month	7.01	Three year	8.36
Two month	7.46	Four year	8.41
Three month	7.94	Five year	8.39
Six month	8.03	Seven year	8.49
One year	8.06	10-year	8.45
Two year	8.32	30-year	8.42

June 14	Overnight	One Month	Two Months	Three Months	Six Months	Lombard Intervention
Frankfurt	7.65-7.75	7.85-8.00	8.00-8.15	8.15-8.30	8.40-8.55	8.00
Paris	10 3/16-10 5/16	9⅝-9¾	9 11/16-9 13/16	9⅞-10	10 1/16-10 3/16	9.50
Zurich	8¼-8⅝	8¾-9	-	8⅝-8⅞	-	-
Amsterdam	7.90-8.00	8.18-8.26	-	8.30-8.40	-	-
Tokyo	6⅞-6 13/16	7 3/16-7 5/16	-	7¼-7⅜	-	-
Milan	11¼-11½	11¼-11⅝	-	11¼-11⅝	-	-
Brussels	7.35	9⅝-9¾	-	9⅝-9¾	-	-
Dublin	11⅛-11⅜	11⅛-11¼	11 1/16-11 3/16	11-11⅛	11-11¼	-

LONDON MONEY RATES

Jun 15	Overnight	7 days notice	One Month	Three Months	Six Months	One Year
Interbank Offer	15	14⅞	14⅞	14 15/16	14 15/16	14 15/16
Interbank Bid	14	14⅝	14¾	14¾	14¾	14 13/16
Sterling CDs	-	-	14 13/16	14¾	14 13/16	14 13/16
Local Authority Deps.	14⅞	14⅞	14 13/16	14¾	14¾	14⅞
Local Authority Bonds	-	-	-	-	-	-
Discount Mkt Deps.	14⅝	14 11/16	14 11/16	14½	-	-
Company Deposits	-	-	14 15/16	14⅞	14 15/16	14 15/16
Finance House Deposits	-	-	14⅞	14⅞	14⅞	14 13/16
Treasury Bills (Buy)	-	-	14 13/16	14 11/16	-	-
Bank Bills (Buy)	-	-	14⅝	14 7/16	13 13/16	-
Fine Trade Bills (Buy)	-	-	15⅛	15⅛	14⅞	-
Dollar CDs	-	-	8.20	8.25	8.35	8.42
SDR Linked Dep. Offer	-	-	8⅞	9	9⅛	9⅜
SDR Linked Dep. Bid	-	-	8¾	8⅞	9	9¼
ECU Linked Dep. Offer	-	-	9 15/16	10⅛	10⅜	10½
ECU Linked Dep. Bid	-	-	9 13/16	10	10¼	10⅜

Treasury Bills (sell); one-month 14 13/16 per cent; three months 14⅜ per cent; Bank Bills (sell): one-month 14⅜ per cent; three months 14 11/16 per cent; Treasury Bills; Average tender rate of discount 14.3572 p.c. ECGD Fixed Rate Sterling Export Finance. Make up day May 31, 1990. Agreed rates for period June 26,1990 to July 24, 1990, Scheme I: 15.91 p.c., Schemes II & III: 16.44 p.c. Reference rate for period May 1,1990 to May 31, 1990, Scheme IV&V: 15.201 p.c. Local Authority and Finance Houses seven days' notice, others seven days' fixed. Finance Houses Base Rate 15½ from June 1, 1990: Bank Deposit Rates for sums at seven days notice 4 per cent. Certificates of Tax Deposit (Series 6): Deposit £100,000 and over held under one month 11½ per cent; one-three months 13 per cent; three-six months 13 per cent; six-nine months 13 per cent; nine-twelve months 13 per cent; Under £100,000 11½ per cent from Oct 9,1989. Deposits withdrawn for cash 5 per cent.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS Figures in parentheses show number of stocks per grouping	FRIDAY JUNE 15 1990 US Dollar Index	% chg ($) since 29/12/89	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg from 29/12/89	Gross Div. Yield	THURSDAY JUNE 14 1990 US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	DOLLAR INDEX 1990 High	1990 Low	Year ago (approx)
Australia (80)	138.17	−8.7	120.04	134.63	121.62	118.46	−7.0	5.88	138.25	120.18	134.58	121.79	118.48	158.31	125.85	131.43
Austria (19)	242.62	+33.2	210.79	236.42	213.56	213.64	+33.6	1.26	243.83	211.78	237.17	214.63	214.39	285.53	193.15	121.59
Belgium (61)	149.79	−3.2	130.14	145.95	131.84	128.55	−5.3	4.49	150.28	130.64	146.28	132.39	129.15	160.02	132.11	127.60
Canada (119)	138.34	−9.1	120.19	134.80	121.76	117.46	−8.0	3.47	138.83	120.69	135.14	122.30	117.72	153.61	130.37	139.23
Denmark (33)	258.60	+6.8	224.67	251.99	227.62	226.77	+4.6	1.27	260.03	226.04	253.13	229.08	227.32	280.82	236.69	193.59
Finland (26)	134.80	+1.1	117.11	131.35	118.65	112.72	−0.3	2.43	136.69	118.82	133.06	120.42	113.64	152.29	129.99	140.41
France (125)	157.30	+0.8	136.66	153.26	138.44	140.52	−0.8	2.92	158.00	137.35	153.79	139.18	141.27	168.85	141.69	116.33
West Germany (93)	125.16	+1.2	108.74	121.97	110.16	110.16	+1.3	2.03	125.12	108.76	121.81	110.22	110.22	137.71	122.05	84.96
Hong Kong (48)	132.36	+13.0	114.99	128.97	116.51	132.30	+12.7	4.74	131.71	114.49	128.21	116.03	131.62	132.47	112.24	97.94
Ireland (17)	189.55	+4.4	164.68	184.70	166.84	169.10	+2.7	2.59	189.85	165.04	184.81	167.25	168.93	198.57	172.72	132.10
Italy (96)	107.71	+9.4	93.57	104.94	94.80	99.98	+7.2	2.36	108.45	94.28	105.57	95.54	100.76	108.45	91.85	82.86
Japan (454)	149.66	−24.2	130.02	145.83	131.74	145.83	−18.7	0.58	150.18	130.55	146.19	132.32	146.19	197.26	124.40	168.83
Malaysia (35)	227.15	−0.8	197.35	221.33	199.93	237.21	−0.3	2.28	228.18	198.36	222.12	201.02	238.20	245.32	204.15	179.16
Mexico (13)	526.65	+51.8	457.55	513.17	463.55	1636.16	+70.9	0.32	531.37	461.92	517.27	468.12	1650.83	549.86	324.53	255.88
Netherland (43)	139.38	−3.1	121.10	135.81	122.69	121.25	−3.4	4.61	139.68	121.42	135.97	123.05	121.60	145.66	130.43	117.07
New Zealand (17)	65.72	−8.8	57.10	64.04	57.85	59.96	−7.0	7.40	64.79	56.32	63.08	57.08	59.06	75.36	59.57	65.58
Norway (23)	233.69	+16.9	203.03	227.72	205.70	205.94	+15.1	1.49	235.46	204.69	229.22	207.44	207.02	245.90	202.34	171.42
Singapore (25)	206.60	+16.6	179.49	201.31	181.84	176.04	+13.5	1.92	205.61	178.74	200.16	181.13	175.05	207.93	179.70	159.57
South Africa (60)	170.00	−13.5	147.70	165.65	149.63	150.14	−1.3	3.97	172.47	149.93	167.89	151.93	151.10	251.39	170.00	139.45
Spain (42)	159.44	−2.2	138.52	155.37	140.34	126.71	−6.3	4.20	160.84	139.82	156.57	141.69	127.33	165.19	132.84	145.42
Sweden (34)	213.70	+11.3	185.66	208.23	188.10	193.45	+9.9	2.09	213.65	185.73	207.98	188.22	192.85	217.57	173.89	162.63
Switzerland (66)	103.17	+9.7	89.64	100.54	90.82	91.79	+2.0	2.25	103.55	90.02	100.81	91.24	92.09	104.31	88.75	77.05
United Kingdom (305)	165.15	+4.1	143.48	160.91	145.35	143.48	−1.7	4.72	165.72	144.06	161.31	145.98	144.06	166.11	139.87	135.94
USA (537)	146.69	+2.5	127.44	142.94	129.12	146.69	+2.5	3.31	146.73	127.55	142.84	129.27	146.73	148.55	130.61	131.09
Europe (983)	147.01	+3.3	127.72	143.25	129.40	128.26	−0.1	3.55	147.50	128.22	143.59	129.95	128.73	147.76	135.57	114.79
Nordic (116)	204.87	+9.3	177.99	199.63	180.32	175.23	+7.6	1.72	205.60	178.73	200.15	181.13	175.32	206.93	185.01	158.06
Pacific Basin (659)	149.55	−22.9	129.06	144.75	130.75	144.07	−17.7	0.89	149.00	129.53	145.05	131.27	144.37	192.75	124.63	164.77
Euro - Pacific (1642)	148.32	−14.1	128.86	144.51	130.54	138.18	−11.6	1.97	148.79	129.34	144.83	131.07	138.56	174.18	130.35	144.85
North America (656)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	147.87	131.02	131.49
Europe Ex. UK (678)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Pacific Ex. Japan (205)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
World Ex. US (1834)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
World Ex. UK (2066)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
World Ex. So. Af. (2311)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
World Ex. Japan (1917)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
The World Index (2371)	146.65	−8.8	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Base values: Dec 31, 1986 = 100. Finland: Dec 31, 1987 = 115.037 (US $ Index), 90.791 (Pound Sterling) and 94.94 (Local); Nordic: Dec 30, 1988 = 139.65 (US $ Index), 114.45 (Pound Sterling) and 123.22 (Local).

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Constituent changes: Addition: Procordia B Free (Sweden)(14/6/90). Deletions: Pharmacia (A Free & B Free)(Sweden)(14/6/90). Name change: Texas Air Corp. to Continental Airlines (US)(12/6/90).

LONDON RECENT ISSUES

EQUITIES

Issue Price p	Am'nt Paid up	Latest Renunc. Date	1990 High	1990 Low	Stock	Closing Price p	+ or -	Net Div	Times Cov'd	Gross Yield	P/E Ratio
-	F.P.	-	130	110	ABI Leisure 10p	130	+1	R4.7	3.3	4.8	8.5
100	F.P.	-	99	91	Dartmoor Inv. Tst. 10p	98		K9.75	-	13.3	-
50	F.P.	-	49	47	EFM Java Trust	49		-	-	-	-
-	F.P.	-	26	18	Do. Warrants	26		-	-	-	-
-	F.P.	-	46	28	First Philippine Inv. Tst.	32		-	-	-	-
-	F.P.	-	22	10	Do Warrants	12		-	-	-	-
-	F.P.	-	14	7	Fisher (Albert) Wrrts.	8	+½	-	-	-	-
500	F.P.	-	99	95	French Property Tst	99		-	-	-	-
-	F.P.	-	39	32	Do. Warrants	38		-	-	-	-
§81	F.P.	-	88	83	Intrum Justitia 10p	84	+1	u1.75	2.5	2.8	13.9
500	F.P.	-	505	500	Jupiter Euro Inv Units	505	+5	-	-	-	-
§108	F.P.	-	116	115	♦Levercrest 5p	116		R4.05	2.4	4.7	9.3
-	F.P.	-	44	40	Lucas Inds. Warrants	41		-	-	-	-
-	F.P.	-	31	21	Paribas French B Wrrnts	30		-	-	-	-
§84	F.P.	-	95	84	♦Proteus Intl	95		-	-	-	-
§100	F.P.	-	102	95	Siam Select. Growth Tst.	102		-	-	-	-
-	F.P.	-	38	30	Do. Warrants	38		-	-	-	-
†	F.P.	-	215	200	Wiggins Teape Appleton	208	-2	u8.35	2.0	5.4	10.8

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1990 High	1990 Low	Stock	Closing Price £	+ or -
100	F.P.	-	101	90	♦Bluebird Toys 12pc Cv. Uns. Ln. 2005	97	+2
102.45	F.P.	-	109¼	102½	Dartmoor Inv Tst 6¼pc RPI-Lnk Db 2005	109¼	
♦	F.P.	-	86p	83p	European Leisure 8.75p (Net) Cv Rd Pf	86p	+1
100p	F.P.	-	113p	96p	Hepworth Cap Fin. 11¼pc Cv. Bds 2005	112p	
100p	25p	-	46½p	26p	Reckitt & Colman 9.5pc Cv Bds 2005	45½p	-½
100p	F.P.	-	105p	96p	Wyndham Group 9.375pc Cnv.Pf	98p	
-	F.P.	-	55p	35p	York Trust 8.5p (Net) Rd Cv.Pf 20p	42p	+1

RIGHTS OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date	1990 High	1990 Low	Stock	Closing Price p	+ or -
100	Nil	25/6	7pm	¾pm	♦Allied Leisure	6pm	-1
45	Nil	-	8pm	3½pm	Amber Day	4½pm	-½
70	Nil	11/7	1¼pm	¾pm	Anglia Secure Homes	¾pm	
86	Nil	-	15pm	14pm	Ashley Group	15pm	
425	Nil	-	129pm	87pm	Bowater	113pm	-11
£11.5	Nil	20/6	28pm	2½pm	Child Health Res Units	4pm	
105	Nil	-	43pm	26pm	♦EW Fact 5p	43pm	+2
33	Nil	25/6	6pm	¾pm	Ex-Lands	¾pm	
425	Nil	24/7	146pm	104pm	Laporte	145pm	+1
248	Nil	-	44pm	30pm	Morgan Crucible	40pm	-1
41	Nil	13/6	8pm	6pm	Petrocon	8pm	
12½	Nil	-	3pm	1½pm	SI Group 5p	3pm	+1½
Ir13	Nil	11/7	43pm	33pm	♦Tullow Oil	33pm	
-	Nil	-	1pm	¼pm	XCL Sunrise	½pm	
Ir40	Nil	-	5pm	3pm	♦Xtra-Vision	4pm	+1

a Annualised dividend. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. g Assumed dividend and yield. q Earnings based on preliminary figures. s Dividend and yield exclude special payment. u Forecast, or estimated annualised dividend rate, cover based on previous year's earnings. H Dividend and yield based on prospectus or other official estimates for 1989. K Dividend and yield based on prospectus or other official estimates for 1990-91. L Estimated annualised dividend, cover and p/e based on latest annual earnings. M Dividend and yield based on prospectus or other official estimates for 1990. N Dividend and yield based on prospectus or other official estimates for 1989/90. Q Gross. R Forecast annualised dividend, cover and p/e ratio based on prospectus or other official estimates. W Pro Forma figures. ♦ Issued by tender. ♦ Offered to holders of ordinary shares as a "rights". † Introduction. § Placing price. †† Reintroduction. ♦ Unlisted securities market. * Third Market. B Units comprising 11 new ord. & 2 warrants. ♦ Issued in connection with reorganisation, merger or takeover.

BANK OF ENGLAND TREASURY BILL TENDER

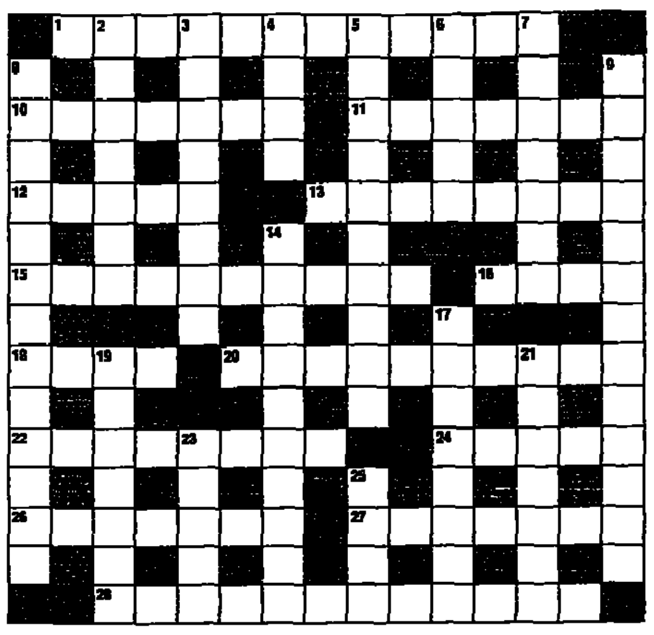
	June 15	June 8		June 15	June 8
Bills on offer	£500m	£500m	Top accepted rate of discount	14.3593%	14.4596%
Total of applications	£2277m	£2092m	Average rate of discount	14.3572%	14.4428%
Total allocated	£500m	£500m	Average yield	14.8901%	14.9823%
Minimum accepted bid	£96.420	£96.395	Amount on offer at next tender	£500m	£500m
Allotment at minimum level	65%	7%	Minimum accepted bid 182 days	£93.090	£93.035

WEEKLY CHANGE IN WORLD INTEREST RATES

	June 15	Change		June 15	Change
LONDON			**NEW YORK**		
Base rates	15	Unch'd	Prime rates	10	Unch'd
7 day Interbank	14⅞	-⅛	Federal Funds	8¼	Unch'd
3-month Interbank	14 15/16	-⅛	3 Mth. Treasury Bills	7.93	-0.04
Treasury Bill Tender	14.3572	-0.0856	6 Mth. Treasury Bills	8.03	+0.02
Band 1 Bills	14⅞	Unch'd	3 Mth. CD	8.25	-0.02
Band 2 Bills	14¾	Unch'd	**FRANKFURT**		
Band 3 Bills	-	-	Lombard	8.00	Unch'd
Band 4 Bills	-	-	One mth. Interbank	7.925	Unch'd
3 Mth. Treasury Bill	14 11/16	-1/32	Three month	8.22	Unch'd
1 Mth. Bank Bills	14⅞	-1/16	**PARIS**		
3 Mth. Bank Bills	14 11/16	-1/16	Intervention Rate	9½	Unch'd
TOKYO			One mth. Interbank	9 11/16	Unch'd
One month Bills	7 3/16	+1/16	Three month	9 15/16	+1/16
Three month Bills	7 5/16	Unch'd	**MILAN**		
BRUSSELS			One month	11⅞	+¼
One month	9 11/16	-1/16	Three month	11½	Unch'd
Three month	9 13/16	-1/16	**DUBLIN**		
AMSTERDAM			One month	11 3/16	+1/16
One month	8.22	-0.02	Three month	11 3/16	+1/16
Three month	8.35	Unch'd			

CROSSWORD

No.7,266 Set by DANTE



ACROSS

1 Announcement from the Roman Capitol (12)
10 Flatfish – and it's the highest speed through the water? (7)
11 Church lease runs out in London (7)
12 Farewell notice that is given to union leader (5)
13 Side passage for those taking flight? (8)
15 Uplift, then bring back to earth (10)
16 Sign on the staff (4)
18 A mother and father to all (4)
20 Suffer injuries – as invaders do? (4,2,4)
22 Not only don't come, but prevent others coming (4,4)
24 Subject someone to heated questioning? (5)
26 Ends interim arrangements (7)
27 Dismissed with anger – it's a scandal (7)
28 Showed what discontented groups did (12)

DOWN

2 Duplicate parcel I made up (7)
3 Victory or defeat (8)
4 Book of plays (4)
5 He has lots to offer (10)
6 One can't imagine being without them (5)
7 Breathing space (7)
8 Restraining habits (13)
9 Simple game for relatively well-adjusted groups (5,8)
14 Assignment requiring a number and place (10)
17 Station of the Cross (8)
19 Declared a number were incorrect (7)
21 Advocate riotous living? (7)
23 In principle, ring after eleven in the morning (5)
25 Left harbour (4)

The solution to last Saturday's prize puzzle will be published with names of winners on Saturday June 30.

JOTTER PAD

LONDON SHARE SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Amount £m	Stock	Price £	Wk % change	Last xd	Interest Due	City-line
955	Treas. 8pc Cv 1990 ‡‡	99½	0.3	11.6	16Jul 16Jan	4680
1,887	Treas. 10pcCv 1990	98⅛	0.2	19.3	25Apr 25Oct	1286
500	Exch 2½pc 1990	96⅞	0.1	17.4	22May 22Nov	1270
2,200	Treas 11¾pc 1991	98⅝	0.1	4.6	10Jul 10Jan	1292
400	Funding 5¾pc '87-91‡‡	95⅞	0.5	1.3	5Oct 5Apr	1275
400	Treas. 3pc 1991	93⅞	0.7	6.4	13Nov 13May	1326
646	Treas 10pc Cv '91 ‡‡	96 13/16	0.4	5.6	12Jan 12Jul	1286
1,550	Exch. 11pc 1991	97⅞	0.4	19.3	25Apr 25Oct	1258
1,350	Treas. 8pc 1991	93 11/16	0.4	4.5	10Jan 10Dec	1335
900	Treas 12¾pc 1992‡‡	99⅝xd	0.3	15.6	22Jul 22Jan	1297
1,600	Treas 10pc 1992	95⅞	0.4	15.1	21Aug 21Feb	1283
1,400	Treas. 8pc 1992 ‡‡	92⅞	0.5	7.3	13Oct 13Apr	1337
1,288	Treas 10½pc Cv 1992‡‡	96⅛	0.4	2.4	7Nov 7May	1289
500	Treas. 3pc 1992	87 13/16	1.2	8.5	11Dec 11Jun	1328
1,350	Exch. 12¼pc '92	98 13/16	0.4	19.1	25Feb 25Aug	1265
1,757	Exch 13½pc 1992	101⅛	0.3	13.2	22Mar 22Sep	1266
950	Treas 8¼pc 1993	90 11/16	0.7	12.1	18Aug 18Feb	-
2,850	Treas 10pc 1993‡‡	94⅞	0.3	9.3	15Oct 15Apr	1279
1,100	Treas 12½pc 1993‡‡	100⅛	0.4	7.6	14Jan 14Jul	1296
600	Funding 6pc 1993‡‡	85⅝	0.5	6.2	15Mar 15Sep	1276
1,250	Treas 13¾pc 1993‡‡	104⅞	0.5	17.4	23May 23Nov	1304
1,050	Treas. 8½pc 1994	89⅞	0.8	28.12	3Aug 3Feb	-
600	Treas 14½pc 1994‡‡	107⅞	0.6	23.1	1Sep 1Mar	1307
1,100	Exch 13½pc 1994	104⅞	0.8	21.3	27Oct 27Apr	1267
1,400	Treas. 10pc Ln. 1994‡‡	94⅛	0.8	3.5	9Dec 9Jun	1284
1,550	Exch. 12½pc 1994	101⅞	0.7	16.1	22Feb 22Aug	1263
1,600	Treas 9pc 1994‡‡	90⅞	0.9	10.4	17May 17Nov	1345

Five to Fifteen Years

Amount £m	Stock	Price £	Wk % change	Last xd	Interest Due	City-line
2,350	Treas 12pc 1995	100⅛	0.9	19.12	25Jul 25Jan	1294
229	Exch 3pc Gas 90-95	77⅛	0.4	26.3	1Nov 1May	1271
2,100	Exch. 10¼pc 1995	93 13/16xd	1.2	14.6	21Jan 21Jul	1254
1,000	Treas 12¾pc 1995‡‡	103⅞	0.9	9.4	15May 15Nov	1298
900	Treas. 14pc '96	107⅞xd	1.0	15.6	22Jul 22Jan	1305
750	Treas. 9pc 1992-96‡‡	88⅞	1.0	6.2	15Sep 15Mar	1344
1,350	Treas 15¼pc 1996‡‡	113 11/16	0.8	27.3	3Nov 3May	1309
800	Exch 13¼pc 1996‡‡	105⅜	0.9	9.4	15Nov 15May	1268
1,109	Conversion 10pc 1996	91 11/16	1.0	9.4	15May 15Nov	1240
1,500	Treas 13¼pc 1997‡‡	104xd	1.4	15.6	22Jul 22Jan	1302
3,100	Exch 10½pc 1997	94	1.3	15.1	21Aug 21Feb	1253
3,750	Treas 8¾pc 1997‡‡	86⅛	1.6	23.1	1Mar 1Sep	1341
1,000	Exch 15pc 1997	114⅞	1.4	21.3	27Apr 27Oct	1269
2,850	Exch. 9¾pc 1998	90 13/16xd	1.8	12.6	19Jul 19Jan	1273
1,000	Treas 6¾pc 1995-98‡‡	76 13/16	1.6	26.3	1Nov 1May	1331
1,100	Treas. 15½pc '98‡‡	118 13/16	1.5	21.2	30Mar 30Sep	1308
2,500	Exch. 12pc 1998	100 11/16	1.6	17.4	20May 20Nov	1259
1,159	Do. 12pc 1998 'B'	95¼xd	.....	17.4	20May 20Nov	-
1,250	Treas 9½pc 1999‡‡	89⅛	1.7	8.6	15Jul 15Jan	1347
2,900	Exch. 12¼pc 1999	102⅞	1.8	19.2	26Sep 26Mar	1264

Over Fifteen Years

Undated

Index-Linked

BRITISH FUNDS—Contd

Amount £m	Stock	Price £	Wk % change
650	Tr. 2pc '92‡‡(97.8)	116 13/16	0.4
400	Do. 2 '94 (102.9)	108 13/16	0.4
1,000	Do. 2pc '96(67.9)	159⅞	0.6
900	Do 2½pc '01(78.3)	130 11/16	0.5
800	Do. 2½pc '03(78.8)	127⅞	0.5
1,200	Do. 2pc '06(69.5)	129 11/16xd	0.6
950	Do. 2½pc '09(78.8)	120 13/16	0.6
1,350	Do. 2½pc '11(74.6)	125⅝	0.6
1,100	Do. 2½pc '13(89.2)	104⅝	0.7
1,700	Do. 2½pc '16(81.6)	112 13/16	0.7
1,400	Do. 2½pc '20(83.0)	109¾	0.7
900	Do. 2½pc '24‡‡(97.7)	92¼	0.7

(b) Figures in parentheses show RPI base for indexing, (ie 8 months prior to issue) and have been adjusted to reflect rebasing of RPI to 100 in January 1987. Conversion factor 3.945. RPI for October 1989: 117.5 and for May 1990: 126.2.

INT. BANK AND O'SEAS

Amount £m	Stock	Price £	Wk % change
50	African Dv Bk 11¼Ln 2010	92 13/16	2.3
100	Asian Dev Bk 10¼pcLn2009	88 11/16	2.2
75	Int-Am Dev Bk 12½pc 2003	102 13/16	2.1
175	Do. 9¾pcLn 2015	87⅞	7.2
75	Mlysia 10¼pcLn 2009	82	.....
50	Nat Mexican Sucs 16½pc 2008	109	.....

CORPORATION LOANS

Amount £m	Stock	Price £	Wk % change
45	Birmingham 11½pc 2012	92½	1.1
40	GLC 6¾pc 1990-92	89½	.....
40	Leeds 13½pc 2006	104½xd	1.0
5	Liverpool 3½pc Irred	30xd	3.4
25	LCC 6¾pc '88-90	99½xd	1.0
26	Do. 3pc '20 Aft	26xd	4.0
7	Manchester 11½pc 2007	98½xd	.....

COMMONWEALTH & AFRICAN LOANS

Amount £m	Stock	Price £	Wk % change
-	S Rhod 2½pc Non-Asstd	206	.....
4	Do. 4½pc 87-92 Asstd	64½	.....

LOANS

Building Societies

Public Board and Ind.

FOREIGN BONDS & RAILS

AMERICANS

AMERICANS—Contd

CANADIANS

Continued on next page

LONDON SHARE SERVICE

● For Latest Share Prices on any telephone ring direct-0836 43 + four digit code (listed below). Calls charged at 38p per minute peak and 25p off peak, inc VAT

BANKS, HP & LEASING

Market Cap. £m	Stock	Price	Week % change	Y'ld Gr's	Last xd	Dividends Paid	City-line
2,037.0	ANZ SA1	217xd	1.9	9.2	12.6	Feb July	1698
2,646.2	Abbey National 10p	202	-1.0	3.8	12.3	Apr Oct	5411
1,299.1	Allied Irish Ord.	284	-0.4	4.0	29.5	Dec July	1354
1,149.1	Algemene Fl.10	£11¼	-2.2	8.0	3.5	Aug May	1567
28.3	Anglo Irish	71	-2.7	6.2	30.4	Jan Jul	1355
145.6	Ansbacher (H.) 1p	78	1.3	4.3	12.3	April	1624
1,031.7	Bancaire Cie Fr100	£60½	1.4	2.3	9.5	May Mar	2202
4,809.4	Banco Bilbao Viz	£19		4.4	9.12	Dec June	–
3,865.0	Banco de Santander	£27		4.1	31.10	Apr Oct	–
858.2	Bank Ireland Ir£1	257		5.4	29.5	July Dec	1360
134.4	Bank Leumi	£19½		–	–	–	1740
24.3	Bank Leumi (U.K.)	345		5.2	26.2	Mar Sep	1740
905.0	Bank Scotland	120	0.8	5.1	30.4	Nov Jul	1742
95.0	Do. 9¼pc Irrd Pf.	95	1.6	13.0	30.4	May Nov	1462
14.7	Bank of Wales	46		8.1	30.4	Nov Jun	1743
6,217.3	Barclays £1	393xd	-1.8	6.6	12.3	Oct May	1754
6.97	Benchmark 20p	13	8.3	16.7	9.4	May Oct	1802
49.8	Brown Shipley £1	312xd	-0.2	5.1	11.6	Jan Aug	1983
79.9	Cater Allen £1	421	2.4	8.1	27.11	Jan. July	2081
25.8	Chancery	127	-3.1	8.4	27.11	Jan July	2102
431.8	Commerzbk DM10	£19¼	-0.5	3.5	27.5	May	1046
24,859.1	Dai Ichi KBk Y50	887	-1.0	0.4	4.7	June	3221
8,385.8	Deutsche Bk DM50	£262½	-2.4	1.9	17.5	May	2345
207.2	Espirito Santo	£19¾	-1.3	2.3	–	June	5187
361.2	First Nat. Fin. 10p	224	3.7	7.7	15.1	Mar Aug	2571
53.8	FNFC 6.3pc Cv. Pf.	111	0.9	7.6	27.12	July	2570
18,497.0	Fuji Bank Y50	995	-5.0	0.3	4.7	Dec June	1084
117.8	Gerrard & National	309	10.8	8.2	29.5	June Dec.	2686
82.9	Guinness Mahon 10p	128		2.2	14.5	Jul Feb	5074
457.2	Hambros 20p	282	5.2	4.7	11.12	Jan Sep	2812
166.3	Do 7.5pc Cv Pf	111	2.8	9.0	12.3	Apr Oct	4388
2,783.0	HK & Shang. HK$2.50	431½	-1.1	6.6	14.9	May Sep	–
24.0	Joseph (Leo) £1	458		4.6	11.12	Jan Sept	3060
23.4	King & Shaxson 20p	148	1.4	9.2	14.5	Dec June	3088
501.0	Kleinwort Benson Grp	393	-0.5	5.4	26.3	May Nov	3102
6,088.6	Kyowa Bank Y50	461	-1.1	0.6	–	Mar Sept	3049
3,569.2	Lloyds £1	289	1.4	6.1	26.2	Oct May	3171
28.6	Lon. Scot. Bank 10p	48		6.8	29.1	Mar July	4651
2,340.0	Midland £1	300	-3.8	8.0	26.2	May Oct	3380
28,176.8	Mitsubishi Bank Y50	£10½		0.3	4.7	June Dec.	5290
10,531.9	Mitsubishi Tst & Bk Y50	£7⅝	-1.6	0.4	–	–	4775
38,449.8	Mitsui Bank Y50	£8⅝	-2.1	0.4	–	Sept Mar	–
7,030.2	Mitsui Tst & Bk Y50	587	-2.5	0.6	8.12	Sept Mar	5388
3,285.3	Nat Aust. Bk. A$1	291	-2.7	7.8	21.12	July Jan	3456
5,464.8	Nat West £1	343	-0.6	6.5	26.2	Oct May	3463
95.0	Ottoman Bank	£190	-5.0	5.8	16.5	May	–
17.6	Rea Bros. Group	45		1.5	30.4	May Oct	3785
437.4	Rothschild (J) Hldgs.	155	-17.6	8.9	13.11	Jul Dec	3864
1,349.7	Royal Bk. Scotland	179	1.7	5.4	14.5	Mar Jul	3874
5,285.5	Saitama Bank Y50	520	-1.5	0.5	8.12	Sept Mar	5286
34,590.4	Sanwa Bank Y50	864		0.4	11.12	June Dec.	5108
400.8	Schroders £1	798	1.3	2.1	26.3	Oct May	3939
77.3	Do. £1 N/V	598	1.7	2.8	26.3	May Oct	3941
2,323.4	Sec. Pacific $10	£23¼	-9.1	5.1	26.4	Fb My Ag Nv	3985
1,132.5	Standard Chartd. £1	485	3.9	9.6	26.3	May Oct	4096
34,704.6	Sumitomo Bank Y50	£9⅞	-3.2	0.3	27.3	June	3079
9,056.8	Sumitomo Tst & Bk Y50	£7⅝	-2.5	0.5	–	June Dec	4918
2,125.3	TSB	141½	-2.1	5.5	12.2	Oct Mar	4320
22.3	TSB Bank Ch'nel Is'l	152xd	2.7	4.4	11.6	Feb Aug	4319
12,919.4	Tokai Bank Y50	£6¼	-1.8	0.5	–	Sept Mar	5359
5,653.8	Toyo Tst & Bk Y50	695	-4.7	0.4	8.12	Sept Mar	1393
111.2	Union Discount £1	593	1.7	7.4	12.2	Mar Sept	4353
853.7	Warburg (S.G.)	443xd	1.7	4.5	11.6	July Dec	4425
64.2	Do 6pc Cnv Prf	151	3.4	5.3	26.2	Mar Sept	4426
2,399.7	Westpac $A1	205	-2.8	12.1	28.12	Jan July	4473
32.5	Wintrust 20p	385		2.7	12.2	Oct Mar	4524
7,688.5	Yasuda Tst & Bk. Y50	737	-1.3	0.5	–	Sept Mar	5347

Hire Purchase, Leasing, etc.

Market Cap. £m	Stock	Price	Week % change	Y'ld Gr's	Last xd	Dividends Paid	City-line
64.2	Anglo Grp. 10p	193		3.5	13.11	Dec Aug	1613
39.8	Do. 9½pc 1999	£79½	1.3	11.9	–	September	–
41.2	CLF Yeoman 50p	103	-26.4	5.5	29.1	Jan July	1162
40.3	Cambridge Grp Ir5p	69	4.5	0.5	14.5	Nov June	5358
9.92	Capital Leasing Ir.10p	35	-2.8	3.2	27.12	Jul Jan	1641
41.7	Cattle's (Hldgs) 10p	63	3.3	7.6	9.4	May Oct	2082
214.2	Prov. Financial	425	2.4	6.4	26.2	Nov Apr	3731
23.2	Reflex Invs. Ir5p	208	-2.4	0.9	27.11	July Dec	4940
30.1	Secure Trust Grp. 1p	212		5.3	30.4	Jun Nov	1472
265.1	Woodchester IR20p	193	0.5	1.6	26.3	Sep May	1487

BEERS, WINES & SPIRITS

Market Cap. £m	Stock	Price	Week % change	Y'ld Gr's	Last xd	Dividends Paid	City-line
3,845.6	Allied-Lyons	506	-1.4	4.5	29.5	Jul Feb	1550
7,553.9	Anheuser-Busch $1	£25⅛	-1.0	1.5	4.5	Mr Jn Se De	1620
3,883.7	Bass	1094	2.6	3.4	29.5	Feb July	1772
155.7	Boddington	160	1.9	4.3	9.4	May Nov	1862
88.2	Bulmer (H.P.) 5p	170	-0.6	5.5	27.12	Sept Feb	2005
38.8	Burtonwood Brewery	186	-1.1	2.5	13.11	Feb Aug	2022
28.0	Clark (Matthew)	315	7.9	5.5	26.2	Apr. Oct.	2153
83.2	Devenish (J.A.) 5p	165	-9.3	3.8	27.12	Feb July	2346
9.43	Do 4.5pc Cr 2ndPf	125	-7.4	4.8	26.2	Mar Sept	2347
28.8	Eldridge, Pope "A" 50p	148	5.0	3.7	27.12	Feb. Jly.	2435
70.0	Fuller, S.T.A.	350	4.5	1.7	27.12	Aug Jan	2643
6,570.2	Grand Metrop 50p	665	1.2	3.6	29.1	Oct April	2759
436.8	Greenall Whitley	357	2.9	3.2	29.5	July Feb	2766
57.8	Do. 5.95pcCrPf£1	172	3.0	4.6	13.11	June Dec	2765
159.4	Greene King	388		3.1	27.12	Aug. Feb.	2769
7,977.3	Guinness	789	1.3	2.6	9.4	Nov May	2791
645.0	Do. 5½pc Cnv Prf	215xd	0.5	3.6	11.6	Jan July	2788
192.8	Do 8¼pcCvLn	£241½xd	-1.1	3.2	11.6	Jan July	2789
275.2	Highland Dists. 20p.	222	2.8	2.3	30.4	Jan June	2890
182.9	Invergordon Distillers 10p	144	1.4	4.6	–	Oct. May	–
289.7	Macallan-Glenlivet	598	0.8	0.2	9.4	Nov Apr	3254
54.5	Macdonald Martin 'A'	2020xd	1.2	2.1	11.6	Jan Jly	3257
62.9	Mansfield Brewery	400	6.7	3.8	11.12	Jan Aug	3282
164.2	Marston Thompson	188	6.2	2.9	11.12	Jan Aug	3301
24.7	Merrydown Wine	428	0.7	1.8	11.12	Jan Oct	3352
57.3	Morland	340xd	0.6	2.0	11.6	July Jan	3419
1,316.5	Scott & New 20p	335	0.6	4.3	27.12	Feb Sept	3944
5,108.1	Seagram $	£50⅛	-0.5	1.7	28.11	Se De Mr Jn	–
330.5	Vaux Group 10p	245	-0.4	4.3	29.5	Feb July	4392
1,971.3	Whitbread 'A'	447xd	1.4	4.4	11.6	Jan July	4488
3.79	Wiltshire Brewery 5p	67	1.5	3.0	–	July Jan	3677
271.4	Wolv. & Dudley	418	4.8	2.9	29.5	Jan July	4530
13.7	Young Brew 'A' 50p	478		3.3	29.5	Dec July	4563
19.5	Do. Non. V. 50p	375		4.1	29.5	Dec July	4564

BUILDING, TIMBER, ROADS

BUILDING, TIMBER, ROADS – Contd

Market Cap. £m	Stock	Price	Week % change	Y'ld Gr's	Last xd	Dividends Paid	City-line
121.0	Tilbury Group	595	3.8	7.2	30.4	June Oct	4230
6.53	Torex Hire 10p	66	1.5	4.8	15.1	Sep Mar	3237
211.3	Travis Perkins 10p	209	3.0	5.1	14.5	Feb Jul	4297
20.1	Try Group	95	-1.0	8.4	9.4	May Oct	4265
1.85	Tudor 20p	33		10.9	30.4	June Dec	4325
24.6	Turriff Corp	310	4.0	6.5	26.3	Jan Jun	4329
3.89	Western Plant Grp 5p	25	8.7	–	27.12	Jul Jan	1467
68.1	Vibroplant 5p	148	2.8	3.3	12.2	Mar Oct	4397
67.4	Ward Group 5p	265	3.9	3.6	30.4	Jun Nov	4427
38.9	Ward Hldgs. 10p	74	1.4	4.7	12.2	Mar. Oct.	4428
84.6	Watts Blake	410	0.7	2.8	14.5	July Nov.	4447
9.04	Wescol Group 10p	86		7.0	9.4	Jan Jul	1399
91.6	Westbury 10p	184	5.7	6.5	29.5	Jan July	4466
8.31	Westminster Scaffldg 10p	88	-3.6	8.3	12.2	Sept Mar	4973
6.00	Wiggins Group	388		–	31.7	Feb Sept	4502
199.4	Wilson Bowden 10p	299	4.2	3.4	9.4	May Nov	4516
320.9	Wilson (Connolly)	180	2.9	2.6	14.5	Oct. July	4518
693.8	Wimpey (Geo)	242	1.7	5.8	26.3	Oct May	4519

CHEMICALS, PLASTICS

Market Cap. £m	Stock	Price	Week % change	Y'ld Gr's	Last xd	Dividends Paid	City-line
1,534.2	Akzo Fl.20	£38¼	-0.8	6.7	27.4	Nov Apr	1542
422.5	Allied Colloids 10p	165	3.1	2.6	15.1	Aug Feb	1551
10.8	Amer Plastic Tech 1c	56		2.7	14.5	June	1596
168.3	Amersham Intl	329	13.8	4.9	27.11	Jan Aug	1600
19.0	Astra Hldgs	21		–	14.8	Apr Oct	1684
5,672.5	BASF AG DM50	£99¼	-4.7	4.7	4.7	–	1770
102.9	BTP 10p	177	1.1	5.3	11.12	Feb Aug	1996
6,297.3	Bayer AG DM 50	£100⅞	-6.7	4.8	22.6	June	1776
85.0	Blagden Inds	192	1.6	6.3	12.3	Apr Oct	1849
89.1	Brent Chems 10p	166	5.1	5.5	9.4	May	1943
117.0	Caird Group 10p	209	0.5	1.4	26.3	Nov Apr	2032
47.7	Do. 7p Cr Pf 2009 10p	134xd	0.8	7.0	11.6	June Dec	1433
1.16	Cambridge Isotope 1c	9		–	14.11	November	2043
59.8	Canning (W.)	213		4.5	26.3	Dec July	2053
224.8	Croda Int. 10p	176	-2.2	8.3	30.4	Dec July	2278
7.11	Doeflex 10p	85	2.4	6.3	9.4	May Nov	2359
155.6	Ellis & Everard	199	3.6	4.7	15.2	Mar Oct	2451
573.2	Engelhard US$1	£13	2.0	2.4	9.3	Mr Ju Se De	–
2.85	European Colour 5p	151½		5.3	15.1	July Jan	2244
101.0	Evode Group	144	-0.7	5.6	12.2	Mar Sept	2511
34.9	Do. 7p Rd.Pf.	86	1.2	10.9	27.12	Jan July	4696
219.6	Foseco	257	8.4	7.0	30.4	Jan July	2623
1.84	Gaynor Group 10p	35		–	19.6	Feb July	2663
27.0	Halstead (J.) 10p	182		7.0	9.4	June Dec	2807
1,137.2	Hercules Inc$	£20¾	-4.6	6.5	30.5	Mr Ja Se De	–
231.6	Hickson Intl	211	2.4	5.1	26.3	May Oct	2885
5,506.5	Hoechst AG DM50	£91½	-10.9	5.1	3.6	June	2903
48.8	Do.Fin.10pcUn.Ln	£325		3.1	12.12	June	2904
8,704.8	ICI £1	1240	2.0	5.9	12.3	Oct. April	2967
35.5	Jeyes Group 5p	253	0.8	2.5	14.5	Jun Dec	1405
793.7	Laporte 50p	571xd	6.7	3.9	26.3	–	3135
171.6	Leigh Interests 5p	348	-0.6	2.8	11.12	Jan Oct	3150
16.0	Do. 6pc Cv. Red. Prf	258		3.1	27.2	Mar Sept	4994
108.3	MTM 5p	234	1.3	2.4	9.4	May Oct	3250
6,886.2	Montedison ABR L1000	£18¼	4.5	0.2	18.7	July	–
22.6	Novalal 5p	113	9.7	–	–	–	–
35.3	Perstorp AB 'B' Sk10	£21¾	-1.1	1.7	31.1	February	
35.5	Plysu	128xd	2.8	3.6	11.6	Jan July	3681
9.84	Porvair 2p	80		4.5	12.3	Apr Oct	4981
8.53	Ransom (Wm.) 10p	55	-1.8	3.7	26.2	Apr. Sept.	3778
142.8	Rechem Env Servs 2p	538	1.7	2.5	29.5	Jul Dec	5050
778.8	Rentokil 5p	201	3.1	1.8	9.4	May Nov.	3812
1,622.4	Schering AG DM50	£273	-3.7	1.6	20.6	June Dec	–
36.2	Satellite Speakman	163	1.2	1.6	18.9	October	4142
6.87	Thurgar Bardex 10p	33		10.1	9.4	Jun Nov	4225
77.8	Wardle Storeys 10p	319	3.9	5.9	30.4	Jly Jan	4431
2.64	Wentworth 10p	21	5.0	12.1	18.9	Oct Nov	4461
20.4	Wolstenholme Rink	315	-1.6	6.9	26.3	May Nov	4529
82.8	Yorkshire Chems	452	7.1	3.5	26.2	Apr Oct	4561
101.7	Yule Catto 10p	122	0.8	4.9	30.4	Jul Nov	4567

DRAPERY AND STORES

ELECTRICALS – Contd

ELECTRICALS

ENGINEERING – Contd

Market Cap. £m	Stock	Price	Week % change	Y'ld Gr's	Last xd	Dividends Paid	City-line
630.0	Vickers 50p	243	3.4	4.9	26.3	Nov May	4398
83.5	Victaulic	385		3.4	9.4	Oct. May	4983
79.2	Vosper Thornycroft	257	15.2	5.3	11.12	Aug. Jan	4874
5.11	WB Industries 10p	14		–	6'80	–	4450
106.7	Wagon Industr'l	329	1.9	5.8	15.1	Feb Oct	4418
178.2	Weir Group	297	0.7	3.6	9.4	Nov Jun	4433
7.14	Wellman 5p	30	-3.2	4.4	27.12	Jul Feb	4457
95.1	Westland 2½p	106xd	0.5	4.6	11.6	July Feb.	4468
24.9	Whessoe	134	1.5	5.0	29.5	Jan. July	4484
56.8	Whewway 25p	83	-13.5	4.9	29.1	Apr Oct	4485
4.61	Wood (S.W.) 20p	59	1.7	–	31.7	Feb Oct	4533

FOOD, GROCERIES, ETC

HOTELS AND CATERERS

Market Cap. £m	Stock	Price	Week % change	Y'ld Gr's	Last xd	Dividends Paid	City-line
5.52	Aberdeen Stk 5p	46		4.3	29.1	Feb Oct	1510
88.6	City Centre Rest	47½	1.1	3.6	30.4	Jun Nov	1796
28.6	Friendly Hotels 10p	256	4.9	1.8	27.11	Jan Aug	2637
7.45	Harmony Leisure 5p	28		0.8	3.7	Sept Feb	2834
35.6	Jurys Hotel	135		5.4	29.1	Sep Jan	1452
2,824.8	Ladbroke 10p	338	2.2	4.1	29.5	Jly Dec	3115
276.1	Mandarin Oriental Intl	45	-8.2	6.8	–	Oct. Jun	–
589.8	Mt. Charlotte 10p	67	-1.5	2.6	30.4	Jul Oct	3426
16.7	Principal Hotels 5p	38	5.6	7.0	14.5	Jun Dec	1492
924.1	Queens Moat 5p	104	2.0	2.9	9.4	May Oct	3745
60.0	Do. 7pc Cv Pf £1	238xd	4.8	4.1	11.6	Jan July	3744
7.16	Regal Hotel Grp 2p	67	-2.9	–	–	–	1592
38.8	Resort Hotels 10p	18½	4.2	3.9	29.1	Feb Oct.	4890
31.8	Ryan Hotels Ir 5p	60		3.8	14.5	May Sept	1474
256.6	Savoy "A" 10p	410		1.0	29.5	May	3928
212.9	Stakis 10p	79½	7.4	3.9	26.2	Apr Sept	4092
2,397.3	Trusthouse Forte	305	6.3	3.4	14.5	July Oct	4316

ENGINEERING

INDUSTRIALS (Miscel.)

For Utd Uniform Servs see INDUSTRIALS

INDUSTRIALS (Miscel.) – Contd

INDUSTRIALS (Miscel.) – Contd.

INSURANCES

Market Cap. £m	Stock	Price	Week % change	Y'ld Gr's	Last xd	Dividends Paid	City-line
658.3	Alexander & Alexander	£15⅜	-5.7	3.9	29.5	De Ma Ja Se	1561
154.0	Do. 11pc Cnv $100	£86		11.5	17.10	Apr Oct	–
12,793.8	Allianz AG DM50	£868½	-1.5	7.1	6.10	Oct. May	1571
12.9	Allied Ins. Brks	131		3.6	26.3	July Nov	1552
3,682.9	American Gen Corp	£28¼	-2.2	2.3	11.5	Ma Ja Se De	1595
10,362.3	American Intl Grp $2.50	£59½	-0.5	0.5	31.5	Mr Jn Se De	5332
1,570.3	Aon Corp. $1	£34	-0.3	6.0	3.5	Fe Ma Au No	1627
27.5	Archer (A.J.) 1p	119	-0.8	9.2	15.1	Mar Aug	4925
4.40	Berry, Birch 10p	70		–	17.10	June Nov	1815
65.9	Bradstock Group 5p	262	1.6	3.9	26.2	Apr Sept	1931
429.1	Britannic 5p	693	3.1	4.0	26.3	May Oct.	1964
2,221.3	Comm. Union	519	1.6	5.5	26.3	Nov May	2197
46.5	Dewey Warren 10p	90	1.1	4.4	27.11	November	2348
21.0	Dom. & Gen 10p	310	-0.6	3.5	26.3	May Nov	5063
8.62	Durham (D.G.) 10p	45	12.5	5.9	30.4	Jun Oct	1991
196.0	FAI Insurances $A0.10	86	10.3	5.0	12.3	Jun Nov	2531
34.2	FBD Hldgs Ir50p	89	-1.2	1.6	14.5	May	5311
2,410.0	Gen Accident	1121	-1.0	5.9	9.4	Jan July	2672
2,081.2	GRE 5p	242	-0.4	6.3	9.4	Jan July	2794
252.7	Heath (C.E.) 20p	545	-1.4	6.6	27.11	Jan Jly	2863
92.0	Hibernian Group	182	5.2	3.5	18.9	Oct. Apr.	1442
86.5	Hogg Group	175	0.6	5.5	30.4	Dec Jul	2907
2,005.8	Legal & General	417	1.0	5.1	26.3	Dec June	3149
[illegible]	Lincoln Nat Cpn	£32¼	-1.1	4.6	4.7	Fb My Ag Nv	–
93.1	Lloyd Thompson 5p	295		2.7	9.4	Nov May	3170
2,156.9	Lloyds Abbey Life 5p	322	-0.3	7.0	26.2	May Oct	1500
417.2	London & Man	351	-0.6	4.6	30.4	Nov Jun	3185
17.4	London United 20p	306		–	19.9	July Oct	3215
1,430.1	Marsh McLen'n $1	£45¼	2.8	3.3	9.4	Fe My Ag Nv	3298
22.6	PWS Holdings 10p	75	-2.6	5.3	29.5	Ja Ap Jl Oc	3736
4,169.3	Prudential 5p	225	-0.4	5.5	9.4	Nov. May	3733
347.4	Refuge 5p	687	3.0	4.7	26.3	Nov May	3799
2,405.3	Royal Insce. Hldgs	498	2.7	6.8	12.3	Nov. May	3873
10.2	Saltire Ins. Invs	68		4.7	22.5	June	3907
886.3	Sedgwick Group 10p	255	-3.0	6.3	12.3	April Oct.	3988
83.9	Steel Burrill J 10p	292	3.2	5.0	26.3	May Nov	4107
128.9	Sturge Hldgs 20p	258	2.0	7.9	29.1	Apr Sept	4130
2,634.0	Sun Alliance Grp	333	3.1	5.0	9.4	Jly Dec	4134
748.0	Sun Life 5p	1258	1.0	4.7	9.4	May Nov	4136
2,758.8	Taisho M EDR	£43	-6.9	1.0	25.3	April	4165
1,513.0	Torchmark $1.00	£27¼	2.2	2.2	6.4	Fb My Au Nv	–
158.5	Trade Indemnity Grp	145		1.7	26.3	Nov May	4286
1,858.3	Travelers $1.25	£18⅛	-2.3	7.9	25.4	Ma Ja Se De	4296
1,267.8	USF & G Corp $2.50	£16¼	-2.9	10.1	19.12	Ap Au Ja	–
435.7	USLIFE Corp $1.0	£23	-1.1	3.9	10.2	Mar Ju Se De	–
194.0	Utd Friendly B 10p	247	3.3	4.4	30.4	June Nov	4373
619.1	Willis Faber 12½p	262	2.3	6.1	9.4	Jul Nov	4513
5.55	Windsor 10p	21	-4.5	3.2	15.1	February	4521

LEISURE

MOTORS, AIRCRAFT TRADES

Commercial Vehicles

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MOTORS,AIRCRAFT TRADES – Contd

Components

Market Cap. £m	Stock	Price	Week % change	Y'ld Gr's	Last xd	Dividends Paid	City-line
9.06	Abbey Panels	453	....	1.0	15 1	Sept Feb	1501
18.5	Airflow Streamlines y	217	0 9	3 7	29.5	Jan July	1538
20.4	Bostrom 5p y	178	0.6	4.3	9 4	May Nov	1438
576.5	Dowty 50p β	239	-3 7	4.5	27 12	Mar Oct	2371
121.3	FB Group β	164	6.5	5.2	14 5	Dec. July	2627
128.7	Kwik-Fit Hldgs. 10p β	80	-1 2	4.0	30.4	Nov Jun	3113
1,186.8	Lucas Inds. α	173	2.7	4.8	9 4	Jun Jan	3232
1.72	Spice 5p. y	6½	-18.8		4 7	August	4075

Garages and Distributors

Market Cap. £m	Stock	Price	Week % change	Y'ld Gr's	Last xd	Dividends Paid	City-line
9.43	Alexanders 10p y	24	-4 0	5.6	15.1	–	1562
53.3	Appleyard 10p β	114	....	9.1	12.3	Oct Apr	1629
2.53	Bletchley Motor 20p y	85	..	11 8	14.5	Oct Jun	1427
16 5	Caffyns 50p β	497	-0.2	3 1	11.12	Jan. July	2031
14 4	Central Motor Auctns. y	108	10.2	4 0	12 2	Apr Oct	4930
8.55	Cook (D.C.) Hldgs. y	36		8	30.1	Feb Aug	2231
63.2	Cowie (T.) 5p β	58	2.0	11.2	12 3	Sep Apr	2260
12 0	Dagenham Motors 10p. y	72	-1 4	9.7	30.4	Nov May	4954
12.0	Davenport Vernon 10p y	91	-2.2	5 2	29.1	March	3912
5 58	Equity & Gen 5p	28	...	10 0	16 10	Dec Oct	2487
38.5	Evans Halshaw β	187	1.1	8 0	26 3	Oct May	2506
32 4	Gates (F.G.) β	103	..	3.6	29.5	July	2661
9.96	Gowrings 10p y	110	..	6 8	9 4	Nov Jun	4847
121.0	Hartwell α	154xd	1.7	3.1	11.6	Jan June	2845
6.93	Jacks Wm y	64	..	4.2	30 4	July Nov	3014
7.18	Jessups y	85	-4 5	11 0	14.5	Jan July	3037
30 8	Lancaster y	180	1 1	3 3	26 3	May Nov	3128
254.6	Lex Service β	273	0 7	7.5	26.3	Sep Apr	3160
19 5	Lookers y	102	-1 0	8.3	12 3	Sept Apr	3218
1.77	Malaya Group 10p y	35	6 1	7.6	30 4	Oct May	3437
23.6	Pendragon y	118	1.7	4 8	–	–	1614
25.6	Perry Group β	137	1 5	8.8	14.5	Nov July	3640
19.6	Quicks Group 10p. y	123	4.2	6.5	30 4	Nov Jul	3748
12.4	Trimoco 10p β	16	.....	11 7	29.5	Jan July	4307
10 7	Do. 11½pc Ln '96	£152½	.....	7.5	27.2	Sept Mar	4997
22.2	Wardy (Reg) 10p y	70	..	6.4	–	–	5348

NEWSPAPERS, PUBLISHERS

Market Cap. £m	Stock	Price	Week % change	Y'ld Gr's	Last xd	Dividends Paid	City-line
9 63	Adscene y	65	6 6	12.3	26 2	Apr Oct	1522
48 8	BPP Hldgs 10p y	248	8 8	2.8	9.4	Oct. May	1889
25 8	Barbour Index y	155	....	4 1	29.1	Oct Apr	1750
6.88	Black (A. & C.) y	490	2.1	3.5	30 4	July Oct	1841
196.8	Blenheim Exhibs 5p y	865	1 2	2.0	27 11	Jul Jan	1851
42.2	Bristol Eve. Post y	258	1 2	5 4	27 12	Jan Aug	1954
476.6	Daily Mail 'A' 50p y	£48xd	-1 5	2.8	11.6	Feb Jul	2298
323.3	EMAP β	239	5.8	3 7	27.11	Jan. July	2457
71.1	Euromoney Pubs. 1p y	353	1 4	6 0	14 5	May Jan	3283
7 80	EW Fact 5p. y	148xr	20.3	3 2	9.4	Oct May	1408
30 4	Gardner D C. y	193	....	3 0	9 4	Oct. May.	4901
20.0	Haynes Pub 20p y	280	..	6.3	12.3	Apr Oct	2858
16 0	Home Counties y	168	1 3	6 7	9.4	–	2914

PAPER,PRINTING, ADVERTISING

PROPERTY

PROPERTY – Contd

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRANSPORT

INVESTMENT TRUST

INVESTMENT TRUST – Contd

INVESTMENT TRUST – Contd

FINANCE, LAND, ETC

WATER

OIL AND GAS

OIL AND GAS – Contd

Market Cap. £m	Stock	Price	Week % change	Y'ld Gr's	Last xd	Dividends Paid	City-line
89 8	Hardy Oil & Gas 50p β	188	0.6	-	–	–	4737
–	Maui Pet Crpn.	132	9 1	–	–	–	–
14.0	KCA Drilling 1p y	17½	....	–	9'85	–	3073
50.4	Kelt Energy 10p β	17	21.4	–	4'86	–	2211
7.20	Do. 6pc Cv Prf y	24	20 0	3 3	26.2	Apr Oct	5069
10.6	Kingston Oil & Gas 50p y	120	-2.4	1.2	14 5	Jul Nov	3091
1,413.7	LASMO α	396	2.6	2 5	26.3	May Nov.	3189
10.5	Do. "Ops" 10p β	148	-6.3	19.5	26.3	May Oct	3190
38 0	Do 9¾pc CnRdPf £1 y	95xd	-0.5	13.5	11.6	July Jan	3188
292.9	Mid & Scot. Res. y	141xr	6.0	–	–	–	3032
14,964.9	Mobil Corp. $2	£36½	-0.3	4 8	1 8	Ma Ju Se De	–
181.3	Monument Oil 5p. β	37¾	4.1	–	–	–	3406
12.4	New London 5p y	21	2.4	–	–	–	3480
–	NZ Oil & Gas NZ$0.50	26	....	–	–	–	–
3,722.8	Norsk Hydro Kr20	£18⅛	-1.0	2 1	29 4	May	3514
12.5	North Sea Assets 5p. y	23	2.2	–	11.85	–	3528
3,390.8	Occidental Pet. 20c	£15⁹⁄₁₆	-0 4	9 1	6.6	Ja Ap Jy Oc	–
–	Ohio Res.	27	-3.6	–	–	–	–
6 67	Oliver Res y	15½	-3.1	–	–	–	1469
–	Pan Pacific Pet.	9	....	–	–	–	4850
4,470.2	Petrofina SA	£206¾	...	3 6	22 5	May	–
	For Petrogen see XCL Sunrise						
40 2	Pict. Pet. 5p y	122	3.4	–	–	–	3659
392.0	Premier Cons. 5p β	91½	1.1	–	-1 7	–	3711
81.3	Presidio Oil A.	380	....	1.6	8 5	Feb May Aug Nov	4998
348.1	Ranger Oil	368	-1.6	–	27.3	April	3770
102 1	Richmond Oil & Gas 10p β	157	1 3	–	–	–	4976
21,721.3	Royal Dutch Fl 5	£44¼	-0.6	5.5	18.5	May Sept.	3872
–	Royshel Prop.	7½	...	–	–	–	–
595.5	Santos A$0.25c	188	-2.6	4.4	10 4	Oct May	3916
–	Sceptre Res	187	.....	–	–	–	–
15,114.1	Shell Trans. Reg. α	456	0.2	5 4	26 2	Nov. May	4003
6.20	Do. 7pcPf. £1 y	62	.....	10.5	11.12	Feb. Aug.	4005
9.47	Southwest Res. 2p	3½	7.7	–	6 85	–	4066
102.4	Sovereign Oil β	184	..	–	–	–	4067
10.8	Teredo Petroleum 10p y	7	-6 7	–	–	–	3289
1,555.9	Texaco 8pc Cnv	£125½	....	6.4	9 4	Jun. Oct.	4201
2,161.4	Total-Cie Fr Pet B	£70½	2 1	2.4	16 6	June	–
2.40	Trident Pet.	8½	-10.5	–	–	–	–
135.3	Triton Europe 5p β	164	-1.8	–	–	–	4313
22 1	Tullow Oil 10p y	16½	3.1	–	30.5	–	4886
60.5	Tuskar Res Ir 5p y	35	2.9	–	–	–	1479

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Diamond and Platinum

Central African

Finance

Australians

Tins

MINES – Contd

Miscellaneous

Market Cap. £m	Stock	Price	Week % change	Y'ld Gr's	Last xd	Dividends Paid	City-line
28.7	Anglesey Mining 9p y	135	. .	–	–	–	5186
1 20	Do. Warrants y	60	. .	–	–	–	5072
–	Anglo-Dominion	11½	-8 0	–	–	–	–
112 0	Bond Intl. Gold	336	-20.6	–	–	–	–
22 0	Butte Mining 10p y	20	5 3	–	–	–	2034
–	Colby Res Corp.	15	. ...	–	–	–	–
2.62	Cons. Murch 10c	42	-6 7	18 5	17 7	Aug. Feb.	2216
-	DRX Inc.	8	....	–	–	–	5077
10.1	Essex Int .Ir10p y	12	-4.0	–	–	–	1416
20 0	Europa Minerals 2p y	55xd	1.9	2.3	11.6	Jan Jul	3427
11 7	Geevor y	49	4.3	–	6.85	–	2670
9.32	Greenwich Res. β	25	. .	–	–	–	2773
540.5	Hemlo Gold Mines	£6¹⁄₁₆	-2.9	1 5	1 6	June	2869
914.6	Homestake Mining $1	£9¼	-6 9	1 2	17 5	Fb Jun Ag Nv	2916
14.9	Kenmare y	31	1 6	–	–	–	1453
–	McFinley Red Lake.	6½	8.3	–	–	–	–
–	New Sabina Res C$1	14½	....	–	–	–	–
34.6	Northgate C$1	274	-5 5	–	10.77	-	–
–	Nor-Quest Res.	6½	-23 5	–	–	–	–
10.3	Plateau Mining 20p. y	55	-1 8	–	–	–	3407
5,658.0	RTZ 10p α	575	-1.4	4.3	26.3	Dec Jul	3880
–	Thorco Res. Inc.	12	..	–	–	–	–
14.0	Young Group 10p. y	150	-0 7	6.9	26.2	Apr Oct	5080

THIRD MARKET

Market Cap. £m	Stock	Price	Week % change	Y'ld Gr's	Last xd	Dividends Paid	City-line
6.68	Analysis Hldgs 20p y	15	7 1	–	–	–	2781
1.52	Andaman Res. 10p y	30	..	–	–	–	1606
1 75	Associated Farmers	86	...	–	–	–	1455
4.68	Automobiles of Dist. 5p y	14½	-3.3	–	–	–	1404
14.2	Barbican Hldgs 1p y	1	...	–	–	–	5060
9.71	Biocure 1p y	40	5.3	–	–	–	2323
2.39	Blackland Oil 10p y	29	-3.3	–	–	–	5296
2.22	Burmin Exploration y	12	. ...	–	–	–	1363
2.84	Cafe Inns £1	220	......	–	–	–	1447
0.57	Caldwell Invs. 10p y	11	-21.4	–	13.3	–	5166
4.59	Caspen Oil 10p y	11½	-4.2	–	–	–	1993
3 02	Celtic Gold y	17	.... ..	–	–	–	4894
1 73	Chelsea Artisans 5p y	77	. .	1 7	22.5	July	2111
0.37	ChemEx Intl. y	7	-36.4	–	–	–	2113
4 43	Citymead Storage Serv.	215	.....	–	–	–	2829
1.16	Courtyard Leis 5p y	14	. .	–	–	–	2274
1 12	Crown Eyeglass 5p. y	70	-6.7	–	–	–	2283
1 03	Dana Expl y	13	-13 3	–	–	–	5055
8.97	Edencorp Leisure 5p α	20	-4 8	2.5	27.12	January	4687
4.91	Edinburgh Hlb 2p α	38	-2 6	–	–	–	–
2.91	Eglinton Expln Ir 50p y	40	5.3	–	–	–	1415
0.59	Do Wrrnts y	9	-10.0	–	–	–	1414
3.34	Far East Res. 10p y	10	-9 1	–	–	–	2540
7.92	Fast Forward Inns	120	....	–	–	–	5835
2.45	Feltrim Min Ir0 20. y	22	-4.3	–	–	–	4920
6.10	Glencar Explo y	33	. .	–	–	–	1435
11 3	Haemocell 1p y	90	-14 3	–	–	–	1459
8.82	Hartley Baird 5p y	45	....	2 2	12.3	Jan Apr	1843
1.94	Hiclare 5p y	70	-6 7	–	–	–	5125
4 47	Honorbilt Group 5p. y	6½	8.3	–	–	–	2920
3.74	Hoskins Brewery 50p	65	. . .	–	–	–	3410
4.48	Image Store Hldgs 10p y	36	. .....	–	–	–	2961
7.05	Intl Comm & Data 5p y	19½	2.6	–	–	–	3735
11 8	Ivernia West y	45	7.1	–	–	–	5275
1 93	Kells Mins. Ir5p y	80	-2.4	–	–	–	3741
0.59	Kemp (P.E.) 5p y	13	....	–	3.7	–	3077
0.36	Kromagraphic 1p y	2	..	–	–	–	1428
2.58	LGW 5p y	58	....	4 6	8.5	June	4979

NOTES

Stock Exchange dealing classifications are indicated to the right of security names: α Alpha, β Beta, y Gamma

Unless otherwise indicated, prices are in pence and denominations are 25p. Yields are based on middle prices, are gross, adjusted to ACT of 25 per cent and allow for value of declared distribution and rights.

Estimated Net Asset Values (NAVs) are shown for Investment Trusts, in pence per share, along with the percentage discounts (Dis) or premiums (Pm -) to the current pre-closing share price. The NAV basis assumes prior charges at par value, convertibles converted and warrants exercised if dilution occurs.

● "Tap Stock"
‡ Interim since reduced, passed or deferred
‡‡ Tax-free to non-residents on application
♥ Not officially UK listed; dealings permitted under rule 535(4)(a)
♣ USM, not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
‡‡ Not officially listed.
# Price at time of suspension
♣ Not comparable
† Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend
☆ Cover does not allow for shares which may also rank for dividend at a future date.
‖ No par value

B.Fr. Belgian Francs. Fr. French Francs §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. c Cents. e Redemption yield. f Flat yield. k Kenya. C Canadian. E Minimum tender price.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xl ex capital distribution

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency

Craig & Rose £1 y	830	....		Carrol (P.J.) y	140	-1 4
Finlay Pkg. 5p y	55	3.8		Hall (R. & H.)	165	-4.1
Holt (Jos) 25p y	1300	..		Helton Hldgs. y	74	......

IRISH

Cap 8½% Ln. 1991	£98¼	..		IRG	285	......
9pc Cap Ln. 1996	£94½	..		United Drug.	165xd	0.9
Fin. 13% 97/02	£112¼	..				
Arnotts	205	-2.4				

TRADITIONAL OPTIONS

3-month call rates

Industrials	p
Allied-Lyons	40
Amstrad	7
Astec (BSR)	6
BAT	62
BOC Grp	48
BTR	37
Barclays	34
Blue Circle	21
Boots	24
Bowaters	40
Brit Aerospace	47
British Steel	13
Brit. Telecom	25
Cadburys	30
Charter Cons	42
Comm Union	41
Courtaulds	29
Eurotunnel	55
FKI	7
FNFC	20
Gen Accident	93
GEC	18
Glaxo	68
Grand Met.	53
Guardian	20
GKN	33
Hanson	20
Hawker Sidd	53
ICI	99
Ladbroke	27
Legal & Gen	34
Lex Service	28
Lloyds Bank	25
Lucas Inds	13
Marks & Spencer	19
Midland Bk.	24
Nat West Bk	30
P & O Dfd	52
Polly Peck	39
Racal Elect.	19
RHM	30
Rank Org Ord.	70
Reed Intnl	38
STC	21
Sears	9
SmKl. Beecham A	48
TI	39
TSB	11
Tesco	19
Thorn EMI	62
Trust Houses	24
T&N	18
Unilever	58
Vickers	19
Wellcome	57

Property	
Brit Land	32
Control Secs	4
Land Securities	45
MEPC	45
Mountleigh	13

Oils	
Aviva Petlm	5
Brit Petroleum	28
Burmah Oil	55
Conroy Petlm	10
Gaelic Res	3½
Premier	9
Shell	40
Tuskar Res	5½
Ultramar	31

Mines	
Lonrho	21
RTZ	50

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MINES

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The Macallan. The Malt.

4pm prices June 15

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
		– A – A – A –								
37½	16½	AAR	.48	2.5	12	700	18⅝	d18½	18½	
9¾	8	ACM n	1.01	12.		223	8⅞	8¾	8¾	
11⅝	9⅜	ACMIn	1.26	13		661	10⅛	10	10	-⅛
9⅞	7¾	ACM M n	1.01	13.		445	7⅞	7⅝	7⅞	+⅛
12⅛	10	ACMMM				243	10⅞	10⅝	10⅝	-⅛
11⅞	9¾	ACM Sc	1.26	13.		542	10	9⅞	10	+⅛
9⅜	8⅛	ACMSp	1.01	12.		642	8½	8¼	8¼	
24⅝	14⅞	AL Lab	.16	.7	21	222	23⅝	23⅛	23⅜	+¼
5⅜	2⅛	AM Intl				1731	2¾	2¼	2⅝	+⅛
23⅛	10¼	AM In pf	2	16.		417	12½	12½	12½	
107⅛	52½	AMR			13	1875	65⅞	65¼	65¼	-1
26½	25	ANR pf	2.67	10.		5	25½	25½	25½	+¼
24⅞	22¼	ANR pf	2.12	8.9		5	23¾	23¾	23¾	
4⅞	3	ARX				83	3⅜	3⅜	3½	
72¼	40⅛	ASA	3a	6.8		1282	44⅛	43¾	44	+1
38¾	27⅝	AbtLab	s.84	2.2	19	18486	38⅝	38⅛	38⅝	+⅛
16⅞	11¼	AbitibI	g.50			3	13¼	13¼	13¼	-⅛
13	8½	AcmeC	.40	4.6	10	115	8¾	d8½	8¾	+⅛
9¾	7⅝	AcmeE	.32	3.6	11	1	8⅞	8⅞	8⅞	
41⅞	30⅞	Acuson			22	831	38	37¾	37¾	
18½	13¾	AdaEx	2.06e	13.		128	16⅜	16¼	16⅜	
15⅞	9½	Adobe				428	12	11⅞	12	
20¼	17¾	Adob pf	1.84	9.6		7	19⅛	19⅛	19⅛	-⅛
21⅝	20⅛	Adob pf	2.40	12.		9	20⅝	20⅝	20⅝	
11⅜	6⅞	AMD			20	4111	9½	9¼	9¼	-⅛
34⅝	28¼	AMD pf	3	9.5		7	31½	31¼	31½	
10⅞	4⅞	Advest	.16	3.5	56	130	4⅝	4⅝	4⅝	-⅛
62½	45¼	AetnLf	2.76	5.2	9	3137	53	52½	53	+½
14	9¼	AfilPb	.24	2.4		1289	10⅛	10⅛	10⅛	-⅛
25	16⅛	Ahmans	.88	4.1	10	3865	21⅜	21	21⅜	-⅛
58	40	AirPrd	1.32	2.3	15	1224	56⅞	56½	56¾	+⅛
24¼	13½	AirFrt s			15	111	22⅝	22½	22⅝	
25⅛	15½	Airgas			30	100	19⅛	18¾	19⅛	+¼
20⅞	16½	Airlease	2.40	13.	9	30	18½	18⅜	18½	+½
23¼	21¼	AlaP pf	2.06e	9.3		1	22¼	22¼	22¼	+⅛
10¼	9⅜	AlaP dpf	.87	9.3		8	9⅜	9¼	9⅜	+⅛
96⅝	92	AlaP pf	9	9.6		z100	94½	94¼	94¼	+½
107	102	AlaP pf	11	10.		z90	106½	106	106	+¾
103½	98	AlaP pf	9.44	9.6		z300	98	98	98	+1
91	83¼	AlaP pf	8.28	9.6		z200	86	85	86	
30½	19¼	AlskAir	.20	.9	11	307	23⅜	23⅛	23¼	-⅛
23½	15½	Albnyin	.35	2.2	11	198	16⅛	16⅛	16¼	
27¼	20	Alberto	s.20	.8	20	340	24¾	24	24¾	+¼
40½	29	BlckHR	1.28	3.2	20	1098	39⅞	39½	39⅞	-⅛
24⅞	13⅛	BlockE			36	2060	23⅝	23¼	23⅝	-⅛
8⅛	6¼	BlueChp	.79e	12.		76	6⅞	6⅝	6⅝	-⅛
60⅞	31⅝	Boeing s	1	1.7	25	17802	60⅛	59⅞	60¼	+⅛
48	33¾	BoiseC	1.52	4.3	7	1357	35⅝	35	35⅛	+⅛
8	3⅞	BoltBer	.06	1.3		29	4⅞	4½	4⅞	
11	5¼	Bond				277	5⅜	5⅛	5¼	
1⅛	5-16	Bond wt				25	5-16	d ¼	5-16	
19⅛	8¾	BordC pr	1.98e	19.	9	344	10⅜	10⅛	10⅛	-⅛
18⅞	6½	BordCh	1.99e	20.	9	132	10⅛	10	10⅛	
38⅝	30⅝	Borden	s1.06	3.1		2546	34⅛	34	34⅝	
19½	13¾	BCelts	⅛	6.0	10	67	16⅜	16⅜	16⅜	
22⅛	16¼	BostEd	1.52	7.9		341	19½	19¼	19¼	-⅛
93	86	BosE pf	8.88	10.		z30	87½	87½	87½	-½
15⅞	14½	BosE pr	1.46	9.8		7	15	14⅞	14⅞	-⅛
31⅞	22⅞	Bowatr	1.20	5.0	7	674	24¼	24	24¼	-⅛
14½	7⅜	Brazil	3.07e	29.		604	10⅝	10⅛	10⅝	+⅝
34	24⅛	BrigSt	1.60	4.8	163	416	33	32⅞	33	
62¼	46⅜	BrMySq	2.12	3.4	40	13762	62⅛	61⅝	61⅞	
260	198¼	BrMSq pf	2	.8		1	260	260	260	+4½
39¼	28⅜	BritAir	2.11e	5.7	6	220	37⅞	36⅞	37⅛	
39¾	27⅞	BritGas	2.33e	6.2	11	141	38	37⅛	37½	-⅛
71	54¼	BritPt	3.40e	5.1	11	799	67½	66⅞	67¼	+¼
8⅞	5½	BritP wt				233	7	6⅞	7	-⅛
25¾	18⅞	BritSt	1.38e	5.5	6	1120	u25⅜	25¼	25⅛	+⅛
52½	38¼	BritTel	2.61e	5.2	12	1704	50½	49¾	50½	+⅛
12⅝	6⅝	Broadln	.20	2.0	11	528	10⅛	10	10⅛	+⅛
32⅞	24⅞	BHP	1.37e	4.8	16	9	28⅜	28⅛	28⅜	
32¼	26⅛	BklyUG	1.84	6.5	11	112	28⅝	28⅝	28½	
29⅜	26⅝	BkUG pf	2.47	8.7		9	28⅝	28¼	28⅛	-⅛
17½	11¼	BwnSh	.32	1.9	16	287	17⅛	16⅞	16⅞	
35⅝	22⅛	BrwnGp	1.60	5.6	14	299	29¼	28½	28½	-1⅛
44⅛	32⅞	BrwnFr	.64	1.5	23	4512	43	42⅞	43	
19	12⅛	Brnwk	.44	3.3		1639	13⅛	13⅛	13½	-⅛
29	19⅛	BrshWl	.72	2.9	29	74	24⅛	24⅝	24⅝	+⅛
28⅛	22¼	Buckeye	2.60	10.	9	75	25⅛	24⅛	24⅞	-⅛
17⅞	15½	BunkrH	1.76a	11.		8	15⅝	15½	15½	
15⅝	12	BKInv	1.72a	13.	12	58	13⅝	13⅛	13½	+⅛
16⅞	12	BurlCt s			9	72	13⅛	13⅛	13⅛	+⅛
38½	29⅞	BurlNth	1.20	3.2	11	2480	37⅛	36⅞	37⅛	+⅛
53⅝	38¼	BrlRsc	.67e	1.5	44	2429	44	43½	43½	-⅛
21	15¼	BurnPP	1.36	8.6	16	29	16⅛	15⅞	15⅞	-⅛
13⅝	6½	Businld			35	3896	8¾	8½	8¾	+⅛
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19½	9⅝	DCNY	.40	3.7		57	11	10⅞	10⅞	
20 9-16	17 1-16	DPL s	1.56	8.30		606	19	18⅞	18⅞	
23⅞	19⅜	DQE	1.36	6.0	11	698	22⅝	22½	22½	
9⅝	6⅛	DalSem			16	882	8⅞	8	8⅝	-⅛
42⅞	30¾	DanaCp	1.60	4.4	13	1162	36⅞	36½	36½	-½
22½	13½	Danher			8	1389	20¾	20⅜	20½	-⅛
17⅞	11½	Daniel	.18	1.1	23	114	16⅛	16⅛	16⅛	-⅛
19¼	6½	DataGn				573	11½	11⅜	11⅜	-⅛
6¼	1¾	Datapt				198	3	2⅞	3	
23	2⅞	Datpt pf				10	3¾	3⅝	3¾	+¼
7⅜	3¼	DtaDsg				238	3⅞	3½	3½	
17¼	10	DavWtr	.29	2.9	27	47	10⅝	10⅛	10⅛	-⅛
76	49⅜	DaytHd	1.32	1.8	13	2335	74⅛	73½	74⅛	-⅛
85½	75½	DPL pf	7.48	9.4		z40	80	80	80	+1
37⅞	28⅞	DeanFd	.66	1.7	16	769	37⅛	36½	37⅛	+1
9½	8⅜	DWGI	.88	10.		676	8⅞	8⅛	8⅛	-⅛
78⅝	52¾	Deere	2	2.8	13	4252	72⅝	71½	72⅝	+⅝
19	16½	DelVal	1.92	11.	9	71	17⅛	16⅞	17⅛	+⅛
21⅜	18	DelmPL	1.54	7.9	11	1312	19½	19⅛	19⅛	
85¼	61	DeltaAr	1.20a	1.5	10	1536	79½	78⅞	79	-¼
18	6½	DeltaW	.30	3.9	7	17	7⅞	7⅛	7⅛	-⅛
6⅞	2⅛	Deltona				66	2⅜	2¼	2⅜	+⅛
35⅜	28½	Deluxe	1.04	3.2	18	1732	33¼	32½	32⅞	
32⅞	16⅝	Donald	1.32e	5.0	17	371	26¼	26	26¼	
48⅝	28	DeSoto	.40	1.0		1116	43⅛	40	40⅛	-3¼
27⅝	20⅛	DetEd	1.78	6.7	9	3971	26⅝	26¼	26½	-⅛
151½	116¼	DetE pf	5.50	3.7		3	149	148	149	-2⅛
98	90½	DetE pf	9.32	9.8		z150	94¾	94½	94¾	+⅝
28	26⅝	DE prB	2.75	10.		2	27	26⅞	26⅞	-⅛
25⅛	23½	DetE pr	2.28	9.6		6	23¾	23⅝	23⅝	-⅛
27⅞	20	Dexter	.88	3.7	14	626	24	23⅝	24	+⅝
38⅛	24	DiagPd	.24	.7	29	149	37	36⅝	36⅝	-⅛
20	13⅝	Dial REI	.68	12.	14	33	14⅛	14	14	-⅛
9⅝	3⅝	DiaSO	1.62e	36.		212	4⅝	4⅜	4½	
27⅞	19½	DiaShm	.40	1.9	14	425	25½	24⅞	25¼	+½
8⅝	4	DianeCp				10	5	5	5	+⅛
47	38⅜	Diebold	1.50	3.4	15	42	44¾	44⅛	44⅛	-⅛
35⅛	16⅝	DigtlCm			10	1168	24⅝	24	24⅜	
103⅜	69½	Digital			17	8159	87⅛	85⅞	87	+⅝
92⅝	58	Dillard	.20	.2	19	729	87⅞	86½	87⅝	-⅛
17⅞	6¾	DimeNY	.60	8.9		497	6⅞	d 6⅝	6¾	-⅛
136¼	88¼	Disney	.58	.4	24	9889	132⅛	128⅝	131¾	+2¾
39	26⅝	DEI	1.98	5.1	20	206	31	30⅝	30⅞	+⅛
7⅞	3⅞	GnRad				148	4¼	4⅛	4⅛	+⅛
43¼	36½	GenuPt	1.38	3.3	16	973	41⅞	41½	41⅞	
9½	6⅛	GaGulf				1286	9⅛	9⅛	9⅛	
62	38⅞	GaPac	1.60	3.6	6	1706	44⅛	43¾	43⅞	-⅛
26⅞	25⅛	GaPw pf	2.50	9.7		1	25⅞	25⅞	25⅞	-⅛
26⅞	24¼	GaPw pf	2.43	9.4		2	25⅞	25⅞	25⅞	
25¼	22⅞	GaPw pf	2.30	9.8		9	23⅞	23⅞	23⅞	-⅛
28⅝	24⅝	GaPw pf	2.47	9.8		165	25⅛	25⅛	25⅛	+⅛
23	21¼	GaPw pf	2.08e	9.5		1	22	22	22	
28⅞	25¼	GaPw pr	2.56	9.8		1	26	26	26	+⅛
28½	24¾	GaPw pf	2.52	9.9		7	25⅜	25⅜	25⅜	-⅛
28¼	25⅜	GaPw pf	2.75	10.		9	26¾	26¾	26¾	
85½	77½	GaPw pr	7.80	9.6		z160	82	81	81	-½
82	75	GaPw pr	7.72	9.7		z100	79½	79½	79½	
52¼	38½	GrbPd s	.96	1.9	20	928	49⅛	40	49⅛	-½
20⅞	11½	GerbSc	.20	1.3	11	1171	15⅝	14⅞	15½	+⅝
25½	7¼	GerFd	.25e	1.7		444	14½	14⅛	14⅜	-⅛
23⅝	17½	Getty	.28	1.5	15	86	19½	18½	18½	-1
20⅞	14½	GIANT			12	365	17⅝	17⅝	17⅝	
15	10⅜	Giant n	.30	2.9	7	53	10⅝	d10¼	10¼	-⅛
56¾	38¼	Gillete	1.08	1.8	22	3538	u59¼	58	58⅞	+⅞
40	26½	Gitano			15	855	35⅞	35⅜	35⅜	
28¼	20¾	Glaxo	.75e	2.6	19	7647	28⅞	28⅛	28⅞	-⅛
22½	14⅜	GleasC	.05e	.3	6	40	17¾	17½	17½	-⅛
26¼	11⅝	Glenfed	1.20	8.5	3	553	14⅛	14⅛	14⅛	
8⅞	6⅝	GlbGvt	.80	12.		797	7	6⅞	6⅞	
10⅝	7¾	GlncPl	.84e	9.6		1404	8⅛	8⅝	8¾	
6	1½	GlbM n				7085	4⅞	4⅛	4⅞	
3⅝	11-16	GlbM wt				184	3	2⅞	3	+⅛
12⅛	8⅞	GlbUtl	n.27e	2.9		351	9⅜	9⅜	9⅜	-⅛
9¾	7	GlobYld	.88	11.		865	8	7⅞	7⅞	
38¼	21⅞	GldNug				2880	34¼	33	34⅜	+⅝
38⅞	22½	GldnVly			21	65	38½	38¼	38⅛	-⅛
35¼	21⅝	GldWF	s.16	.5	12	1457	31⅞	31	31⅛	-⅛
4⅛	1	Goldme				1005	1⅛	1	1	-⅛
60	37⅜	Gdrich	2.12	4.7	9	657	45⅝	45⅜	45½	-⅛
60¼	41⅛	Gdrch pf	3.50	7.7		7	45½	45½	45½	-⅛
59¾	32⅞	Goodyr	1.80	5.2	16	2276	34⅞	34½	34⅝	-⅛
12⅞	8	Gotchk			39	68	u13⅛	12⅝	13	+⅜
39⅞	26	Grace	1.40	4.7	10	2286	29¾	29¼	29½	-⅛
24⅞	15⅛	GrceE n			21	221	20⅝	19⅝	20⅛	+⅜
25⅛	16⅜	Graco	.60	2.5	12	35	24⅜	24⅜	24⅜	-⅛
74⅞	50⅛	Grainger	1.16	1.6	16	1182	72⅞	72⅜	72¼	-⅛
14⅞	1⅝	GtABk				1247	3½	3⅜	3½	
37⅞	27¼	Kennmt	1.16	3.3	12	327	36	35½	35½	-½
21	16⅛	KyUtil	1.46	7.5	10	280	19⅛	19¼	19⅜	
14⅞	9	KerrGl	.44	4.2		10	10½	10½	10½	+⅛
22¼	17⅝	KerG pf	1.70	9.2		2	18½	18½	18½	-½
53⅝	43¼	KerrMc	1.44	3.1	19	1659	46¼	45⅝	46⅛	-⅛
29¼	23¼	Keycp	1.36	4.8	9	290	28⅝	28	28⅛	-⅛
20	8⅝	KeyCo s			12	22	19⅛	19½	19½	-⅛
27⅞	16¼	Keylnt	.60	2.2	24	275	27½	27	27¼	-⅛
79⅝	60½	KimbCl	2.72	3.8	13	1451	71¼	70⅞	71⅛	
9½	4⅛	KimEn s			18	720	6⅞	6½	6⅝	
46	28¼	KngWld			11	458	35⅛	34¼	35	
10⅞	8¼	KBAust	1.10e	12.		7	9	8⅞	9	
58⅝	45⅝	KnghtR	1.32	2.5	11	1710	53⅛	52⅝	53	-½
18½	9⅜	Knogo	.30	3.0	110	40	10	9⅞	9⅞	-⅛
28½	18½	Koger	2.80	13.	433	285	21⅞	21⅝	21⅝	-⅛
24⅞	8¼	Kolmor	.32	2.7	9	505	11⅞	11½	11⅞	-⅛
43⅛	18⅛	Korea	1.88e	8.7		445	22⅛	22⅛	22⅛	-⅛
19¼	11¼	Kroger				2074	15⅝	15¼	15⅜	-⅛
18½	8½	Kuhlm	.09e	.7	17	361	12⅝	12⅛	12½	-⅛
105	70⅞	Kyocer	.56r	.5	39	21	103⅛	103¼	103¼	-½
16⅝	9⅞	Kysor	.60	6.2		74	9⅞	d 9⅛	9⅛	-⅛
		– L – L – L –								
50⅞	22½	LA Gr s			8	11338	29⅛	26⅛	28¼	+1⅛
13½	8⅜	LAC g	.22			4259	8⅞	8⅜	8⅜	
14⅞	9⅜	LN Ho	1.58e	15.	60	5	10⅛	10⅛	10⅛	
4¼	2⅜	LLE Ry	.65e	23.		65	2⅞	2⅞	2⅞	
11⅝	8¼	LSI Lg				1387	10⅛	9⅞	9⅞	
2⅛	1⅛	vjLTV				2085	1⅜	1⅛	1⅛	-⅛
15¼	14	vjLTV pf				1	14½	14½	14½	-⅛
4	2⅛	vjLTV pfB				30	2⅜	2¼	2⅛	
2⅝	1⅛	vjLTV pfD				1	1½	1½	1½	
2	⅛	LVI Gp				175	½	13-32	7-16	-3-32
16½	13¾	LQuint				87	16¼	16⅛	16⅛	-⅛
10⅞	6⅛	LQuMt	1	16.		8	6½	6⅛	6⅛	
23¼	16⅞	LaZ Boy	.56	2.7	13	197	20⅞	20⅝	20⅞	+⅛
36	29¼	LacGs	2.36	8.0	13	34	29¼	29⅝	29⅝	
20½	16½	Lafarge	.40	2.3	11	91	17⅝	17½	17½	
13⅝	6½	LamSes			18	184	7	6⅞	7	
18⅛	12	LndBnc	.80	6.6	7	87	12⅛	12⅛	12⅛	-⅛
31⅞	14⅜	LandsE	.20e	1.2	12	51	16¼	16⅛	16⅛	-⅛
16⅛	11½	Lawtin	.52	3.7	16	302	14⅛	14	14	-⅛
18⅛	14	Learnt	.48	3.2	13	12	15	15	15	
34⅛	24⅜	LeeEnt	.72	2.8	15	246	25⅜	25⅛	25⅛	
16⅝	12	LegNas	.28	1.8	11	65	15⅞	15⅛	15⅛	-⅛

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NYSE COMPOSITE PRICES

Continued from previous Page

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
28½	18⅝	Rayonr	3.60	17.	6	213	21⅝	21	21⅛	−⅝
2⅝	1½	vjRaytc			3	2	2⅛	2⅛	2⅛	
66	50	Raythn	2.40	3.7	8	2431	65⅜	64⅛	65	+¼
26½	21	RdrDg n	.12e	.5		846	25⅞	25½	25½	−¼
5	15-16	RdgB				176	2¼	2¼	2¼	−⅛
17	14	REIT	1.42	9.2	10	7	15⅜	15⅜	15⅜	−⅛
12⅝	4½	RecnEq				162	4⅞	4½	4½	−¼
20	12⅝	Reebok	.30	1.6	12	12307	18½	18	18½	+½
½	5-32	Regal				105	13-32	⅜	⅜	
15⅝	11⅜	ReichTg	1.76e	15.	7	72	12⅝	12⅛	12⅛	−⅜
8⅝	4⅝	RelGrp	.32	6.4	125	80	5⅛	5	5	
25	18¼	Repsol n	.27e	1.1		1306	23⅞	23⅝	23⅝	−¼
5⅝	3⅜	RepGyp	.19r	5.1	29	118	3¾	3⅝	3⅝	+⅛
52⅝	42½	RepNY	1.32	2.7	385	1624	50	49½	49¾	
11⅞	1⅝	Rexene				66	2⅛	2⅝	2⅝	−⅛
31½	18⅝	ReyRey	.80	3.5	10	299	23	23	23	
60⅝	48½	ReyMtl	1.80	3.1	7	1363	57¾	57⅜	57½	−⅜
19	14⅝	RhP pfA				102	17⅛	17⅛	17⅛	+⅜
3½	1⅞	RhP wt				168	2⅝	2½	2½	
22	18½	RhnPt n				44	19⅝	19⅛	19⅛	−⅛
41⅛	29½	RiteAid	.90	2.6	14	1105	34	33⅞	34	+¼
11-32	3-64	RvrOak				54	1-16	1-16	1-16	+1-64
19¼	14½	RobtHf			13	37	15⅝	15½	15½	−⅛
14⅛	9⅞	Robtsn			28	302	12⅛	11¾	11¾	
22⅛	17½	RochG	1.56	8.1	10	97	19¼	19⅛	19⅛	
48⅛	29⅞	RochTl	s1.46	4.4	17	316	33⅝	33⅛	33⅛	−½
22⅛	18⅜	RckCtr	1.88	10.	17	386	18½	18⅜	18⅜	−⅛
28⅝	19⅝	Rockwl	.78	2.6	11	5853	28¼	27⅞	27⅞	
7⅝	5	RodRen				10	6¼	6⅛	6¼	+⅛
37½	28¼	RohHaas	1.20	3.4	13	830	34⅞	34½	34⅞	+⅛
33⅝	18⅞	Rohr			308	517	24⅞	24⅝	24⅝	−¼
14⅞	9⅞	RollinE	.08	.6		1582	14	13⅞	13⅞	
21	15⅞	Rollins	.58	2.9	19	1571	19½	19	19½	+⅜
9⅝	7⅛	RolLess	.20	2.3	9	321	8⅞	8⅝	8⅝	−⅛
70⅝	38⅛	Rorer	.84	1.2	32	622	69⅝	68⅝	68¾	−⅞
14⅛	7⅜	Rowan				5779	12½	12⅛	12⅜	−⅛
25⅛	21⅛	RBScT pr	2.24e	9.7		48	23	22½	23	
79⅝	60⅛	RoylD	3.85e	5.1	6	9898	75⅛	75	75⅛	−⅛
15⅝	8½	RoyInt	.20e	1.9	14	103	10⅝	10½	10⅝	
10	8½	Royce	.52e	5.4		71	9⅝	9⅝	9⅝	
41⅛	29⅝	Rubmd	.52	1.3	25	1789	u41⅞	40⅝	41⅞	+½
15	7⅝	RussTg	.20	1.9		38	10½	10⅜	10½	
27⅛	20	Russell	.32	1.2	16	908	25⅞	24½	25⅞	+⅝
31⅛	17⅝	Ryder	.60	2.7	67	3455	23	22½	22⅝	−¼
29½	15⅛	Rykoff	.60	3.4	14	89	17½	17⅛	17½	+⅜
25⅛	18⅛	Ryland	.60	3.0	6	38	20⅛	20	20⅛	−⅜
10⅝	8⅝	Rymr	pf1.17	13.		7	8⅞	8⅞	8⅞	−⅛
		– S-S-S –								
41	34⅞	SCEcp	2.56	6.6	10	4186	38⅞	38⅛	38½	−¼
14½	8⅛	SCOR U	.20	1.9	13	20	10½	10⅜	10⅜	−¼
9½	7⅜	SL Ind	.16	2.1	12	20	7⅝	7⅜	7⅝	+⅛
58⅛	30⅝	SPSTec	1.36	3.5	15	35	38⅛	35½	38⅛	+⅞
30⅝	22⅛	SPX Cp	1	3.4	6	265	29⅝	29	29⅝	
17¼	4⅞	Saatchi	.51e	10.		1197	4⅞	4⅝	4⅞	+⅛
14⅝	10⅞	SabnR	1.44e	13.	8	14	11½	11⅜	11⅜	−⅛
10⅜	4⅞	Safecrd	.10	1.0	12	1638	10⅛	9⅞	10	
40⅛	27⅝	SaftKln	.40	1.0	27	1454	38½	37½	38⅛	−½
12⅞	11⅝	Safewy n				316	12½	12⅜	12½	+⅛
3⅝	2½	Sfwy wt				51	3⅛	2⅞	2⅞	−⅛
9⅛	6⅛	SahCas	1.12	16.	20	73	7	6⅞	7	+⅛
45⅛	35⅛	StJoe n	.20	.5		237	37⅞	37⅜	37⅝	−⅛
27⅞	21⅞	StJoLP	1.60	5.9	12	11	27⅞	27⅛	27¼	+⅛
25⅞	4½	Salant				507	5⅞	d 2⅞	2½	−3⅛
54½	39⅛	SallieM	.52	1.0	21	1087	53⅝	52⅝	53	−⅜
28⅝	20	Salomn	.64	2.5	6	2828	25⅞	25⅛	25⅞	+⅛
14¼	12	SalmBr	1.79e	14.		173	13½	13¼	13¼	−¼
45⅜	39½	SDieGs	2.70	6.3	12	424	43	42⅝	42⅞	−⅛
9⅞	6⅝	SJuanB	.12j		44	79	7½	7⅛	7½	+⅛
36	25⅞	SAntRt	2.08	7.9	18	85	26⅝	26⅜	26⅝	−⅛

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
		– X-Y-Z –								
68½	45⅞	Xerox	3	6.0	8	5486	50⅛	48⅝	49⅝	+⅞
34	21¼	XTRA	.48a	2.0		22	24½	24⅜	24⅜	
27⅞	18¾	XTRA	pf1.94	9.6		20	20⅛	20⅛	20⅛	−⅛
4⅛	1⅜	Zapata				582	2	1⅞	2	+⅛
12⅞	6⅛	Zemex				5	6⅛	6⅛	6⅛	
20⅛	7⅞	ZenithE				654	8⅞	8⅝	8⅝	−⅛
27½	13½	ZenNtl	.88	5.9	8	85	15½	15	15	−½
9⅝	5⅝	Zenix	.90	15.		449	6⅛	5⅞	6⅛	+⅛
18½	12⅞	Zero s	.40	2.8	14	302	14⅞	14½	14½	−½
48⅛	34	Zurnln	.76	1.6	21	314	47⅝	47⅜	47⅝	+⅜
12⅝	10⅝	Zweig	1.21e	11.		278	11⅝	11½	11½	
10	9	ZweigTl	.96	10.		773	9⅛	9⅛	9⅛	+⅛

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-only range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividend are annual disbursements based on the latest declaration.

a-dividend also xtra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. cld-called. d-new yearly low. *e-dividend declared or paid in preceding 12 months.g-dividend* in Canadian funds, subject to 15% non-residence tax. i-dividend declared after split-up or stock dividend. j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the past 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E price-earnings ratio. r-dividend declared or paid in preceding 12 months,plus stock dividend. s-stock split. Dividends begin with date of split. sls-sales. t-dividend paid in stock in preceding 12months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. vi-in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd-distributed. wi-when issued. ww-with warrants. x-ex-dividend or ex-rights. xdis-ex-distribution. xw-without warrants. y-ex-dividend and sales in full. yld-yield. z-sales in full.

NASDAQ NATIONAL MARKET

4pm prices June 15

Stock	Div.		Sales 100s	High	Low	Last	Chng
A&W Bd		28	986	u34¼	33	34¼	+1
ACC Cp	.16	28	819	13½	13	13½	+⅜
ADC		15	331	22½	22	22⅛	−¼
ADT		11	471	33½	33⅛	33⅛	
ASK		17	426	9	8¾	8¾	−¼
AST		24	1190	24¼	23⅝	23⅞	−½
Acclaim s		19	1072	14	13⅝	14	+⅛
AcmeSt		8	173	16¾	16½	16¾	
ActARt		19	3665	7⅝	7	7⅝	+⅛
Acxiom		18	1257	20⅞	20¼	20⅝	+⅜
AdacLb	.64j	5	536	1 9-16	1 7-16	1 7-16	
Adapt		13	2694	19¼	18½	18⅝	−⅛
Adingt s		13	206	18¾	17¾	17¾	−½
AdiaSv	.16	14	16	22⅛	22	22⅛	−½
AdobeS	.21e	22	5402	38¼	38	38⅛	
AdvCir s		6	1094	10⅛	9⅝	10⅛	+½
AdMkSv		16	20	6¼	5⅞	6¼	
AdvPoly			721	7⅛	6⅞	7	
AdvTel		19	1270	21½	20¾	21	
Advanta	.10	9	792	13⅝	12⅞	12⅞	−¾
AdvoSy		13	1989	11⅞	11⅜	11⅜	
Aegon	2.48e	6	1	67	67	67	−¼
Aerovx			225	4½	4¼	4½	+⅛
AffBsh		19	189	12⅛	11⅞	12	+⅛
AgncyR	.68r	19	408	13⅝	13¼	13¼	
Agnico g	.20		174	6½	6¼	6⅜	
AirMd		33	49	5⅜	5¼	5¼	−⅛
AirWisc		72	41	10¾	10½	10¾	
Alrtran	.16	11	751	6½	d 5⅞	6½	+½
Akzo	1.79e	6	1234	32⅞	32⅝	32⅞	−⅝
Aldus		24	2889	27⅞	27⅛	27½	+⅛
AlexBr	.22	13	2094	16¼	14⅞	16	+¾
AlexBld	.88	19	693	32¼	31¼	31⅞	+½
AlegW		9	340	8¼	8	8¼	
AlnOrg	.40e	11	3	35⅞	35¼	35¼	+⅛
AllenPh			1448	12½	12	12½	+½
Alliant		36	3510	8⅝	8	8⅜	−¼
AlldCap	1.20a	12	434	18¾	18¾	18¾	
AldCaII	.68e		125	18	17¼	17¾	−¼
Allwst s		25	715	10⅜	10⅜	10⅜	
Alcolte	.32	15	45	19½	19¼	19⅜	+⅛
AltaGld	.08e	18	1089	3 7-16	3 5-16	3⅜	+1-16
Altera		22	2482	13⅛	12⅞	13	+½
Altos			281	5⅜	5⅜	5⅜	
AFFF	1.50		68	18¾	18	18¾	
AFTxE	1		90	9⅞	8⅝	9⅞	+½
AWAirl		84	274	9½	9⅛	9⅜	
ABnkr	.50	7	232	8⅞	8⅝	8⅞	+¼
AmCaR		23	2134	u12⅞	12⅝	12⅞	+⅛
AGreet	.66	15	1666	37⅞	37⅛	37¼	+⅜
AmIntg		6	651	7	6⅞	7	+⅛
AMS		22	309	15⅝	15¼	15½	−⅛
ANtIns	1.60	10	56	36¼	35	35	−½
AmPac		13	90	13¼	13	13	−¼
APwCv		20	324	37½	36½	37	−⅛
ASoft	.32	21	1882	25⅞	25	25½	+½
ATvCm		43	1268	38¾	36½	38	+¼
ATrav s		6	566	17¼	17	17¼	+¼
AmFBk			220	1⅝	1 9-16	1⅝	+1-16
Amerlr	1.28	19	617	18⅝	18½	18½	−⅛
Amgen		70	2071	75⅜	74⅛	75⅛	+⅜
AmskBk			788	2⅜	2⅜	2⅜	
AmtcCp			853	16⅞	16½	16⅞	
Amvest	.20		90	3⅞	3⅝	3⅝	−⅛
Analy s	.48	16	15	19⅜	19⅜	19⅜	
Anangel	1.10e	4	251	12¾	12½	12½	
AndvBc	.80	24	104	8	7½	8	+½
Andrew		12	369	22¼	21¼	22	−¼
ApogEn	.24	19	92	20	19¾	19⅞	−⅛
AppleC	.44	10	12870	40	39⅛	39½	−¼
Aplebee			86	20	19½	19¾	−½
ABiosci		23	23	33½	33½	33½	−¼

Stock	Div.		Sales 100s	High	Low	Last	Chng
Crestar	1.32	8	1048	27	25⅜	25½	−1⅛
CrosTr			12076	9⅛	8½	9⅛	+½
CrwnRs			309	6	5½	6	+⅜
CullnFr		39	68	11⅝	11⅝	11⅝	−¼
Cytogn			3932	8⅞	8	8¼	−½
– D-D –							
DF Sou	.05e	5	140	12⅝	12⅜	12⅜	−¼
DH Tch		11	170	14	13⅝	13⅝	
DNA Pl			102	6⅞	6¼	6⅞	+⅛
DS Bnc	1.60a	6	77	11⅛	10¾	11⅛	−⅛
DSC		18	7104	14⅜	13⅞	14⅜	+½
Dahlbrg		16	60	14½	14	14½	+½
DartGp	.13	14	100	92	90	90⅛	+1⅛
Datscp		12	113	24½	24⅛	24½	
Dauphn	1.42	9	50	33¼	32½	32½	−¼
DebShp	.20	11	75	12⅝	12½	12½	
DeklbE	.32	7	4	26	26	26	−⅛
DidbGn	.80	15	339	44½	43¼	44¼	+½
Delchm	.40	12	6	25	25	25	+½
DellCpt		24	736	10⅞	10½	10⅞	+⅛
DelpFn			541	15⅞	15⅜	15⅞	−¼
DepGty	1.56	6	15	25⅞	25½	25⅞	+⅛
Devcn s	.20	9	21	24½	24	24½	+½
DeVBel			68	7	6⅞	7	+⅛
Diagnst		42	3404	u17	15⅝	16⅛	−⅜
Dibrell	.80	10	93	23½	22⅞	23	+¼
Dicson			166	9½	5⅜	5⅜	−¼
Digi Int		16	217	u16½	15¾	16⅜	
DigMic		16	532	17⅝	16¾	17⅜	+¾
DigtSd			3263	8⅞	8⅛	8⅜	+⅛
Dionex		17	1202	24⅛	23⅞	24⅛	
DirGnl	.20	13	871	9⅞	8⅞	9⅛	+½
DomBk	.56	10	694	15½	15	15	−⅝
DressB		15	891	10½	10¼	10⅜	−⅛
Drexlr			704	4⅝	3⅞	4⅛	−⅛
DreyGr		22	289	38⅜	37¼	38⅜	+⅜
DrugE	s.10e	14	177	8⅝	8⅝	8⅝	+⅛
Duramd			42	3⅛	3	3⅛	−⅛
Durirn s	.50	12	467	19⅝	18⅞	19¼	+⅜
DurFil	.30	15	65	23½	23	23½	+¼
DutyF s		27	775	31⅛	30½	31⅛	+½
DytchC		11	1021	16	15½	15½	
– E-E –							
ECI Tel		20	134	27½	26½	26¾	−¾
EMCN s		23	31	21⅝	21½	21⅝	+⅛
ERC En		17	45	12⅛	11¾	11⅞	+⅛
EglFd			1054	11⅛	d11	11½	−⅛
EastFn	.10j		2	16	16	16	+⅜
Egghead			2014	16½	16	16⅜	+⅛
ElPas			646	7½	7⅜	7⅜	−⅛
ElcDia		16	32	10½	10½	10½	
ElcSci		14	161	7⅝	7⅛	7⅝	
ElecArt		23	215	15⅝	15⅛	15⅛	−¼
ElmFn			56	12	12	12	
EmpBen			308	17¾	17⅛	17¾	+½
Emulex			489	5⅞	5⅝	5¾	+⅞
Engrph	.13	21	1333	13	12⅝	13	
EnstrG	.08		2460	2 5-16	2⅛	2 3-16	−⅛
Envsrc		11	152	6⅛	6	6	
Exzon			327	10⅛	10	10¼	+⅛
EqtlB	1.20	9	88	31	30¼	31	+¾
EqtOil	.10e	36	185	8½	8⅛	8½	+⅛
EricTl	1.97e	49	362	215½	210½	215½	+8¾
EvnSut		76	438	31	30½	30½	
Everex		9	2628	9⅛	8¾	9⅛	+½
Exabyte		25	4899	22⅛	21	21¼	−1⅛
ExcelBc	.66	13	78	8⅛	8⅛	8⅛	
EXTON			1242	2⅛	1⅞	2	
Exide		9	118	9¼	9	9⅛	
Expln		16	75	25⅜	25½	25½	
– F-F –							
FFO Fn		9	6	7	6½	7	

Stock	Div.		Sales 100s	High	Low	Last	Chng
Isomdx		23	728	13⅞	13½	13¾	+¼
– J-J –							
J J Sn s		16	163	10⅛	10	10	−¼
JLG	.20	72	79	26⅛	25⅞	26⅛	+⅜
Jacbsn	.50	12	26	22	21¾	22	+¼
Jacor			368	4½	4¼	4⅜	+⅛
Jason s	t	17	280	12⅜	12⅛	12⅜	+¼
JiyLub			399	1⅝	1½	1⅝	+1-16
JWA		15	97	u28⅜	27⅝	28	+¼
Jonel A			253	11⅜	11⅜	11⅜	+⅛
JnsMed	.08r	26	284	14⅛	13⅝	14	+⅜
Juno	.28	16	680	23⅛	22⅛	22½	−⅜
Justin s	.40	18	25	15⅜	14⅞	15⅛	+⅛
– K-K –							
KLA		20	711	11⅝	11	11⅛	+⅛
Kaman	.44	21	344	7½	7⅛	7⅛	−⅛
Karchr s	.06	34	1158	10	9½	9½	−⅜
Kasler	.10	28	1322	11⅞	11½	11⅞	+⅜
Kaydon	.40	14	194	37	36½	36½	−⅞
Keegan			73	3⅞	3⅝	3⅞	+⅛
KellySA	.66	16	188	38	37½	38	+½
KyCnLf	.40	5	2876	13½	13¼	13⅜	
KyMed s		6	677	22⅛	21⅞	22⅛	
KeyCen	.60	10	126	12⅛	d12	12½	−⅛
KeyTrn		142	1164	4⅝	4⅜	4⅛	+⅛
Kimbal	.60	12	30	23	22⅛	23	+½
KndrLr			1235	4⅛	3⅞	4	
Kinetic	.05e	11	43	5½	5⅛	5⅛	
Kirschn			116	12¾	12⅛	12⅛	
KnwlW		29	367	26⅛	25⅝	26⅛	+½
Komag		131	2287	u14½	14⅛	14⅜	+¼
Kulcke		118	1540	10⅛	9⅞	10⅜	+⅝
– L-L –							
LDI Cp	t	11	103	16⅛	16	16	−⅛
LSI Ind s	.05	14	185	11¼	11	11	−¼
LaPete		24	1319	u12¼	11½	12	+½
LaddFr	.28	16	52	11⅜	11⅛	11⅜	+¼
LaidB A	.24	22	14	22⅝	22½	22⅝	−⅝
LaidB B	.24	22	5633	23¼	22½	22¾	−⅛
LamRs		9	549	7	6¾	6⅞	+⅛
Lancstr	.76	12	4	22⅛	22⅛	22⅛	
Lance	.84	18	484	u27⅛	26	27⅛	+1⅛
LdmkGph		30	839	18½	18¼	18¼	−¼
Lasrscp			2012	21½	20⅝	21½	+⅝
Lattice		18	374	14⅛	13¾	14⅛	
Lawsn	.36	17	17	29¼	28⅞	29⅛	+⅛
Lechter		18	11	24	24	24	+¼
Legent		20	180	27½	27	27⅛	−¼
LibtNB	.94	8	38	26⅛	25⅞	26⅛	+⅛
LieineS		26	57	10⅛	10⅛	10⅛	−⅛
LifeTch		17	160	16⅝	16⅛	16⅝	+½
Lifecore			289	5⅛	5⅛	5⅛	
Lilly A	.52	12	18	16	15⅝	15⅞	+⅛
LinBrd	t		913	74	73¼	73¼	−¼
LincFn	1.12	8	70	22⅛	21⅞	22⅛	+⅜
LincTl s	.74	16	40	25⅛	24⅛	24⅛	−1½
Lindsy s		9	457	22	21½	21½	−⅝
LinearT		20	347	12⅝	12⅛	12⅝	

Stock	Div.		Sales 100s	High	Low	Last	Chng
PuritBen	.12	18	2584	22⅛	20½	22⅛	+1⅛
PyrmT		26	1820	31½	29⅛	29⅜	−1½
QVC	.10j		106	14½	14⅛	14⅜	−⅛
QuadLg			192	10⅝	10⅛	10½	+⅛
QlFood s		25	79	38½	37½	38½	+⅜
Quntm s	t	13	7884	22¾	21½	22½	+½
Quiksiv		23	630	26	25½	25⅞	−¼
Qume		6	92	6⅛	6⅛	6⅛	
– R-R –							
RPM	.68	19	1269	22	21⅞	22	
RS Fnl		8	130	7⅝	7¼	7½	+¼
RadSys	.10	15	508	11⅝	11½	11½	
RainbT		25	597	25⅛	23¾	24½	−½
Rallys		38	789	20⅛	19	20	+1⅛
Raymd	.47		17	9⅛	9⅛	9⅛	
RgcyCr		23	354	1⅞	1⅞	1⅞	−1-16
Repign			321	17⅛	16½	16⅞	−⅜
Rshlnd		44	60	10⅞	10⅝	10⅝	
ReutHd	.71e	26	7521	u67⅞	65⅛	66⅝	+⅞
Rexon		12	115	8⅝	8⅜	8⅝	
Richfd		120	145	6	5⅞	6	+⅛
RigsNt	1.25	7	252	17	16	16	−1
RoadSv	1.10	15	1235	37⅛	36⅛	37⅛	+¼
RbtPhr			67	5⅞	5⅝	5⅞	+⅛
RochCS	.56	6	209	12⅞	12	12	−⅞
RsvltFn	.80	8	27	9⅝	9½	9¾	+⅛
RossStr		10	984	11⅞	10½	11⅞	+⅜
Rouse	.60	211	653	23⅛	23⅛	23⅛	−¼
RyanF		19	2139	8⅛	8	8⅛	+⅛
– S-S –							
SCI Sys		11	757	10⅜	10½	10½	−⅛
SEI	.10	20	49	20½	19⅝	20½	+⅜
SFFed			29	12⅛	11¾	12	−¼
SHL Sy			337	7½	6½	6½	−1
SKI s		10	11	11⅛	11	11⅛	+½
Safeco	1.36	5	2255	37	36½	36⅞	
SageSft		41	6	15	15	15	
StJude s		31	3984	33⅛	31½	33	+1½
StPaulB	.40	16	409	13⅜	13	13⅛	−⅝
StPaul	2.40	8	1774	62	60⅛	61	−1
SalM vt	s.52	214	434	47	46⅞	47	
SandFm	.30e	10	44	14⅛	13⅛	13⅛	−¼
Sanford	.20	15	412	22⅛	22	22⅛	
SavnF s	.36	17	494	27⅛	26	26½	−⅛
Schulm	.44	17	19	u41½	40⅛	41	+⅛
Scimed s		27	1551	36⅛	34	36	
SciIex	.43e	15	1353	36⅜	36	36⅜	−⅛
Scripps	.40	19	616	21⅛	20⅜	20⅜	
Seagate		8	4656	16⅛	14⅞	15	−¼
Seairgt s	.28	16	465	21⅝	21⅛	21⅛	
SecBcp	.92	6	43	19⅝	19⅛	19⅜	+½
Seibel	.80		9	10	10	10	
Selctin	s1.04	6	3	17⅛	17⅛	17⅛	
Sensor	.30	18	x2678	14⅜	14⅛	14⅛	−¼
Sequnt s		40	3393	32⅛	31⅞	32	
Sequoi			1618	10⅛	9⅝	9⅝	−⅜
SrvTch		23	10	16⅞	16⅝	16⅞	
SvcFrct			23	7⅝	7⅛	7⅜	+⅛

Stock	Div.		Sales 100s	High	Low	Last	Chng
Wolohn	.28b	11	9	18⅛	18⅛	18⅛	
WlvExp			123	8⅜	8⅛	8⅛	+⅛
Wolv wt			23	3⅛	3⅛	3⅛	
Worthg	.60	19	1639	24½	24	24⅛	−¼
Wyman	.60		865	13⅛	12⅝	13⅛	
– X-Y-Z –							
XL Dta		8	834	14	13½	13½	
XOMA			1349	23⅛	22⅝	23	−½
Xicor			1870	3⅛	3	3	−⅛
YanEnS	1.52e	11	49	19½	19	19	−½
YelowF	.76	53	907	30⅛	29⅝	29⅞	−¼
YorkRs		22	694	15	14⅞	15	
ZionUt	1.44	10	20	29¾	29	29	−¼

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4pm prices June 15

Stock	Div.	P/E	Sls 100s	High	Low	Close	Chng
AT&E			1372	22½	21½	22½	+⅞
ATT Fd	2.41e		61	56⅞	55⅛	56⅞	
Acton		10	10	11⅞	11⅞	11⅞	−⅛
AirExp		10	17	17⅞	17⅝	17⅝	+⅛
AlbaW		7	6	6⅛	6⅛	6⅛	
AlFin			303	2⅜	2¼	2¼	−⅛
AlleAgr			65	⅞	⅞	⅞	−⅛
Alphain			84	2⅞	2⅝	2¾	
Alza		72	1125	42	40⅝	41⅝	+1
AmOil	.10	12	2987	15½	15⅛	15⅛	−⅜
AMzeA	.64		21	20⅛	20⅛	20⅛	
AMBld		25	85	⅛	⅛	⅛	−1-16
APetl	3.20	13	5	79⅞	79	79⅞	+⅝
APrec	.20	39	12	21	20⅞	21	
AScE			270	6⅜	5⅞	6⅜	+1⅛
AmSwM	.51e	8	386	3⅞	3⅛	3⅛	
Ampal		31	37	1⅞	1⅞	1⅞	
Andrea		8	2	2⅛	2⅛	2⅛	+⅛
Astrotc			50	1⅞	1⅞	1⅞	−⅛
Atari		73	605	5⅛	4⅞	5⅛	
AtlsCM		4	11	1⅝	1⅝	1⅝	+⅛
Audvox			199	4⅛	4⅛	4⅛	+⅛
– B-B –							
B HO	3.20e	4	80	11⅞	d11⅛	11⅛	−⅛
BAT In	.56e	11	x1272	11½	11 5-16	11 7-16	−⅛
BSN			22	5⅝	5½	5½	−⅛
Banstr g			18	8⅝	8½	8⅝	−⅛
Banyan			6	1⅝	1⅝	1⅝	
BaryRG		10	40	5⅝	5⅝	5⅝	+⅛
Baruch			11	6½	6⅜	6⅜	−⅛
BayMea	.70e	34	8	15⅞	15⅝	15⅞	+⅛
BergB s	.40	15	1085	27½	27	27⅛	−⅜
BicCp	1.12a	15	24	28⅝	28½	28½	−⅜
BinkMf	1.20	12	1	30¼	30¼	30¼	−⅛
BioR B		18	2	u21⅛	21⅛	21⅛	+⅛
BioR A		17	242	u22	21	21½	+½
BlountA	.45	7	12	12	12	12	+⅛
BolrPh	.04		460	7	6⅞	7	
BowVal	.24		4	11⅛	11⅛	11⅛	
Bowmr			9	⅞	11-16	¾	
Bowne	.25	22	168	13⅜	13⅛	13⅜	
Brscn g	1.04		194	17⅝	17⅝	17⅝	−⅛
– C-C –							
CMI Cp			523	2⅞	2¾	2⅞	−⅛
CalEng		22	1255	8⅝	8⅛	8½	−⅜
Calprop	.65t	8	29	6⅝	6½	6½	

Stock	Div.	P/E	Sls 100s	High	Low	Close	Chng
Constn			10	13-16	13-16	13-16	
ContAir			1539	7⅛	6⅝	6⅞	+⅛
ContMtl			3	12⅞	12⅞	12⅞	
Coroni g	.10e		1987	6⅞	6	6⅛	+⅛
Cross	1.24	15	495	30½	29½	29⅝	−⅜
CrnCP	.80e	16	57	33⅞	33½	33⅞	+¼
CrCPB	.80e	16	101	33⅛	32½	33⅛	+⅝
Cubic	.48	6	265	21¼	20⅝	21⅛	−½
Custmd		8	206	⅜	⅜	⅜	−1-16
CyprFd			292	9⅛	9	9⅛	
– D-D –							
DI Ind			17	1⅜	1⅜	1⅜	
DWG			101	10⅛	9⅞	10⅛	+⅛
Delmed			45	5-16	¼	5-16	+1-16
Diodes			4	1½	1½	1½	+⅛
Ducom		39	217	5⅝	5⅛	5½	+½
Duplex	.76	9	244	16⅛	16⅛	16⅛	
– E-E –							
EAC			75	1½	1½	1½	+⅛
EastnCo	.56	19	1	18⅜	18⅜	18⅜	+⅛
Estgp	2.80e	4	49	14½	14¼	14½	+⅛
EchoBy	.07	118	7227	11⅞	11⅜	11⅞	+⅛
EcolEn	.16	18	95	19⅞	19⅛	19½	−¾
Elsinor			976	7-16	⅜	⅜	−1-16
ENSCO		23	3075	4½	4⅜	4⅜	
EmMkt			457	1⅝	1½	1½	−⅛
Espey	.60	10	2	16⅛	16⅛	16⅛	
– F-F –							
FAusPr	1.08a		743	9⅛	9 1-16	9⅛	
FischP	.65t	19	3	11⅛	11⅛	11⅛	−⅛
Fluke	.32	8	10	23⅛	23	23	−¼
ForstL		30	1429	44¼	43⅝	43⅝	−1⅜
FdHoly	.11	19	122	u19⅜	18	19⅛	+1
FreqEl		11	4	7½	7½	7½	+⅛
FruitL		11	2027	13½	13⅛	13⅛	−⅛
– G-G –							
GRI			10	4⅜	4⅜	4⅜	
GTI		13	6	2⅞	2⅞	2⅞	−⅛
GiantFd	.80	16	895	28⅛	27⅝	28⅛	−½
GntYl g			18	8⅛	8½	8½	
Glatflt	1	11	59	40⅛	40	40⅛	
Glnmr	1.20	13	8	28½	28⅛	28½	+¼
GlobNR		63	174	7⅝	7½	7½	−⅛
GldFld		4	44	½	7-16	7-16	−1-16
Grenm		13	102	4⅝	4½	4⅝	
Greiner	.20	17	179	17⅛	16	16⅞	+⅝

The Business Column

The hunt is on for executive engineers

SOMETHING is stirring in the world of engineering when senior engineers can claim a six figure salary. In January Mr Jim Ranger, a director of recruitment specialists MSL International and one of the *most experienced head hunters* for engineering executives, bagged his first engineering director for a pay package of more than £100,000. Since then several more have been recruited to board positions.

Longstanding shortages of engineers at all levels of skill are only part of the explanation. According to Mr Ranger the most important factor is a *structural shift in demand.* After years of bemoaning that they were overlooked and undervalued senior engineers are becoming more important in manufacturing companies. Their rising status reflects *fundamental changes in how* manufacturers sharpen their competitive edge.

A decade ago ago most engineers would have reported to a director of manufacturing. The engineer's task was to plan projects such as the installation of an assembly line or the construction of a new plant designed to operate with scarcely any modification for *up to 15 years.*

Changing culture

They worked to long timescales on intermittent big projects. They were mainly concerned with plant and machinery rather than the products. Once the plant or the assembly line was installed the manufacturing director took over to pump out volume products at lowest possible cost.

Thereafter the engineer became a man with oil rags planning plant maintenance. This contributed to the culture in which engineers worked. Mr Ranger says: *"Often the* philosophy was 'You get off my patch and I will keep off yours.'" Engineers were proud of their boffin image. They *wanted to be separate.* They doubted whether other departments could or needed to understand what they did.

But the traditional relationships are beginning to change, according to Mr Ranger. The *productivity of engineering* departments, the speed with which they come up with solutions to manufacturing problems or develop new products is becoming more important as companies strive to gain a competitive edge. To achieve this the new model engineers have to talk to their marketing and design departments. They have to match technical *skills* with communication skills to explain which product or process *changes* are possible. The traditional, esoteric engineer has to give way to those who enjoy working in teams with technical illiterates. *They have to become* interested in how engineering contributes *to* the business.

Mainstream move

Mr Ranger draws an analogy *with the relationship* between sales and marketing. Sales departments drive products out into the market, but much of the strategic thinking about which products to make is done by the marketing *department. Marketing is generally* judged to lead sales. In the same way engineering departments are starting to lead manufacturing departments. Whereas manufacturing is about pumping out products, *engineering* is increasingly the source of added value through product development.

This does not mean there is *no future for highly technical* engineers. Indeed engineering is becoming more complex with the convergence of mechanics, electronics, and software *and the development* of new materials. But *engineering must move into the* mainstream of management.

Unfortunately, it is very difficult to find engineers with broader business skills. Recruiting engineers was already difficult. Finding engineers with a *knowledge and* interest in finance, marketing and design *is harder still.*

This structural shortfall will not be made good by head hunting and poaching. A much wider change in the training and culture of engineers is required: university and polytechnic engineering courses will have to be broadened, and *companies will have to adapt* their internal training courses and increasingly *consider* breeding their own non-graduate engineers.

Charles Leadbeater

MONDAY INTERVIEW

A radical in the driving seat

Takashi Ishihara, chairman of Nissan, speaks to **Stefan Wagstyl**

Mr Takashi Ishihara, *the 78-year-*old chairman of Nissan Motor, relishes an argument. Sensing a chance to make a provocative point, his face lights up as he leans forward, brandishing a sheaf of papers.

The root cause of the US-Ja*pan trade tensions* is that Japan makes goods the world wants and the US does not, he says. "The Japanese market is big and prosperous but what's happening is that the US can't enter the market because it doesn't have goods to export to Japan except satellites and aircraft and one or two other things.

"Japanese are not exporting to the US because our goods are cheap but because these are goods which US consumers want to buy."

Even today, such bluntness is rare among top Japanese businessmen. In public, if not in private, they tend to look on circumlocution as an art form. Mr Ishihara prefers to speak his mind, and once told an aide: "It's no use waiting until I'm dead to say things."

Mr Ishihara has a gift for voicing opinions which strike a chord *with the average Japanese.* People stop to listen when he appears on television and seek out newspaper articles which quote him.

At the height of the Recruit bribery scandal – in which *members of the Government* were accused of accepting cut-price shares in return for granting political favours – Mr Ishihara openly urged Mr Noboru Takeshita, the Prime Minister, to resign. For good measure he also heaped blame on the business community, saying companies condoned practices which were a "breeding ground" for corruption.

Last year, he attacked the Japanese Government for failing to criticise China after the bloody suppression of the Tiananmen Square students' revolt. He thought Japan should be as concerned about the human issues at stake in China as about as its own political and economic interests. This year, he has waded into a fierce argument over consumers' rights.

Mr Akio Morita, the founder of Sony, Mr Isao Nakauchi, a supermarket magnate who owns a baseball team, and a handful of other corporate leaders are equally forthright. But they are *mostly self-made* men, the billionaire owners of their businesses.

Mr Ishihara, a Nissan employee since 1937, is different. He belongs to the small group of Japanese company employees who, by dint of their distinguished corporate records, become public figures in their own right. Mr Ishihara was Nissan president for eight *years and has been chairman* for the past five. He was for six years chairman of the Japan Automobile Manufacturers *Association. For the past five* years he has also been chairman of the Japan Association of Corporate Executives, an employers' federation.

Unlike some, Mr Ishihara has survived this long process *of assimilation into the highest* levels of the Japanese establishment with his individuality intact. He has interests other than work and golf. He loves deep-sea fishing. He promotes table tennis and international exchanges *for young people.* And he is not afraid of saying things which make some the members of the establishment feel hot under the collar.

PERSONAL FILE

1912	Born in Tokyo.
1937	Graduated from the law department of Tohoku University and joined Nissan Motor.
1948	General manager of the planning department, responsible for company's *post-war reconstruction.*
1960-65	President of US subsidiary.
1965-77	Senior appointments *in Tokyo.*
1977-85	President of Nissan Motor.
1985	Chairman.

Above all Mr Ishihara cannot abide the regulations and restrictions which control Japanese economic life. He said in a speech earlier this year: "Japanese governments and business should stop depending on each other. We have to introduce fair and open competition. I know it might be temporarily tough for some companies, but I believe it will promote further growth of the economy." Developing the argument in an interview, Mr Ishihara says it is Japanese *consumers who are made to* suffer.

"After the Second World War the Japanese Government put strong emphasis on a policy of exporting. Because of the trade surplus the Japanese Govern*ment changed its policy to* expand consumption.

"But Japanese consumers are still in the same condition. They're still sacrificed to government policy," says Mr Ishihara, jabbing his finger into the papers in his lap. He thinks that government policy has not gone far enough in promoting choice.

What Japan needs is complete deregulation, he says, with the deregulation of food imports at the top of the agenda, rice included. "If all regulations are taken off, it will really free the market, and consumers can choose what *they would like."*

Mr Ishihara recognises that powerful vested interests are opposed to deregulation, including farmers and small shopkeepers. For the average Japanese to have more influ*ence, political reform is essen*tial.

Japan has been ruled by one party and its supporters for 40 years, he says. The advantage *is stability. The disadvantage* is the frequency of scandals and a political world in which things are vague, even the party's selection of a prime minister. It is time, says *Mr* Ishihara, to create a true two-*party system* in Japan.

Mr Ishihara is a great admirer of strong leadership. His hero is Mr Yoshisuke Aikawa, Nissan's founder, who before the war created a manufacturing combine in only 10 years and successfully prevented it from falling under the control of banks, as happened to almost every other prewar Japanese conglomerate. Like many Japanese, Mr Ishihara also idolises Mrs Thatcher. Sending the fleet to retake the Falklands took great courage. Japan needs such a leader, he says.

'We have to introduce fair and open competition'

But there are limits to the *extent of Mr Ishihara's radical*ism. He made his mark so effectively in the Recruit affair that leaders of the ruling Liberal Democratic Party accused him of disloyalty. *They blamed* him for being partly responsible for the party losing control of the upper house of the Diet in last summer's election. Mr Ishihara offered no apologies. But by the time of February's general *election to the more* important lower house Mr Ishihara was backing the ruling party once more. He said it was doubtful if the opposition could provide "proper leaders".

As for foreign economic rela*tions, Mr Ishihara also thinks* governments interfere too much. Many disputes could be avoided if companies were left to sort out the difficulties affecting individual industries. He wrote in a recent column in a Japanese newspaper: "The US raises any matter at government level, even if a single company complains about Japan. This just makes things worse. When *companies are* left to sort things out industries adjust very effectively."

Mr Ishihara speaks from experience. He was the first president of Nissan's US subsidiary in the early 1960s and *later headed the group's entire* export and foreign operations. He masterminded Nissan's decisions to invest in factories in the US and the UK.

Japanese car makers, he says, recognise they cannot increase exports to the US. He supports the use of voluntary restraints which have been in place for many years on exports to both the US and the *EC.*

Mr Ishihara says the car makers' goal is to cut exports of finished goods to the US bit by bit by increasing local production. The *overall Japanese* market share, including exports and local production, should stay unchanged at 25 per cent. This policy will have great impact because of the importance of the auto industry in the whole of US-Japanese trade, he says.

They *may* see *things differ*ently in Detroit, where car makers have been at the receiving end of Japanese-style *adjustment.* However, Mr Ishihara is surely correct to say government intervention cannot correct the basic causes of the imbalance between the US and Japan.

Nevertheless, even with governments interfering, Mr Ishihara believes Japan's economic *relations with the US and with* Europe will continue to thrive. There will always be problems, he says, but they will be resolved by talks. Some politicians may threaten to take protectionist steps but in the end they have to take account of the wishes of consumers.

Asked *about the changes in* East-West relations over the past year, Mr Ishihara politely acknowledged that there could be opportunities for Japanese companies in eastern Europe and the Soviet Union. But he is *not concerned* that European groups have stolen a march. He thinks the prospects are far brighter in east Asia.

Nissan, like other Japanese car manufacturers, *has already* established local assembly plants in east Asia and is now developing a network of local parts suppliers. "Over the next 10 years, Asean will leap ahead. The newly industrialised *economies* (NIEs) have already arrived. This market will be much greater than that of eastern European countries. The population of Asean and the NIEs is 370m, much greater than that of the European *Community and of Efta put* together," says Mr Ishihara.

The development of east Asia will increase the competitive pressures on Japan. But Japan should not react by putting up barriers, says Mr Ishihara, relishing the opportunity to make another point which he knows will annoy at least some members of the Japanese business community.

"If *Japanese companies* cannot compete with companies in the NIEs I think we should stop producing such products and put those people into the production of more high technology, more value-added products."

Pyrotechnical answers to simple questions

JUSTINIAN

If a responsible person or *public body makes a differ*ent charge for public services as between a husband and wife of the same age, there ought to be a simple answer to the question whether that constitutes unlawful gender dis*crimination, given that* discrimination between men and women is built into the state pension system.

The fact that the country's most senior judges fundamentally disagreed in their answer *to the question – whether* a local authority was acting unlawfully in charging a 61 year old man 75p for entry to a municipal swimming pool whereas his wife, also 61, went in free – must seem astonish*ing to the layman.*

The popular conclusion might be that either the UK parliament had been hopelessly inept in framing the Sex *Discrimination* Act 1975, or alternatively that it was so badly drafted that it presented the best legal brains with irresoluble ambiguities.

Judicial confusion appeared even worse in James v Eas*tleigh Borough Council, since* three judges in the Court of Appeal were joined by the two dissenters in the House of Lords. Thus, on a count of judicial heads, five judges were defeated by three Law Lords.

The *case revolved around* the principal section in the 1975 Act. It provides, as applied to men, that "A person discriminates against a man in any circumstances relevant to the purposes of any provision of this Act if, *(a)* on the ground of his sex he treats him less favourably than he treats or would treat a woman." The crucial words are "on the grounds of his sex." What do they mean?

A *simplistic meaning was* provided by the man's advocate, Mr Anthony Lester QC. Since he was the architect of the 1975 legislation when he was special adviser to the Home Secretary, he might be presumed to know what government and parliament intended. *Indeed his interpreta*tion to the Law Lords, that the *phrase meant* "due to his sex", and did not involve any consideration of any reason which might have led the local authority to treat Mr James less favourably than Mrs James, found favour with the majority of the Law Lords.

The alternative meaning of the phrase involved consideration of the reason why the *local authority had decided to* treat Mr James unfavourably. Such an approach is preferable, because it accords with the plain meaning of the words and their syntax.

The argument is straightforward. *The discriminator does* something to the discriminated. He treats him in a certain way – less favourably than he treats the man's wife. *He treats on a certain ground* – namely, on the ground of his sex. There is thus a link between the discriminator and the discriminated. This imports a subjective element into the analysis and raises the question: was the person's sex a consideration in the local *authority's decision?*

It would be helpful if the law could be established other *than as the result of* a profound split in judicial reasoning

Sir Nicholas Brown-Wilkinson in the Court of Appeal had noted that the local authority had adopted a policy of giving free swimming to those of pensionable age, and not of discriminating against men. It was to give benefits to those *whose financial resources* would be likely to be reduced by the fact of retirement. This reasoning was countered by Lord Bridge of Harwich, one of the majority in the House of Lords, who said that it failed to recognise that the statutory pensionable age was *itself* a criterion directly discriminating between men and women. That much, of course, had to be conceded. But Lord Bridge went on to describe the reasoning of the minority as fallacious because he reckoned that the use of the expression "pensionable age" was nothing more than a convenient label to refer to a discrimination of the sexes. If, and only if, one ignored the subjective element in the construction of the phrase, that would no doubt be right.

All this is good clean fun in the judicial pyrotechnics of statutory construction. But it is hardly a sensible way of *resolving questions which* occur daily in the lives of the citizenry. If the country persists in a discrimination in pension rights of men and women it is hard to say that a local authority may not latch *on to it for the purposes of* determining a sensible social policy in respect of municipal services. The majority of the Law Lords, however, has ruled that the local authority's social policy is irrelevant to the question under the Sex Discrimination Act. So be it. But it would be helpful if the law could be established other than as the result of a *profound split in judicial* reasoning.

The majority in the House of Lords has won the day only because the function of the final court in the land cannot be equated with that of the Court of Appeal.

The lesson to be learned is that, while parliament in 1975 might reasonably not have anticipated the interplay of gender discrimination generally and differential *pension rights, it should* at least have legislated with sufficient clarity to avoid extensive and expensive litigation that ends up in such an unsatisfactory way. The English system of legislating with specificity of language has less to commend it than *the European approach* of making general provisions in their law, *to which the judges* can readily provide sensible answers.

Louis Blom-Cooper QC

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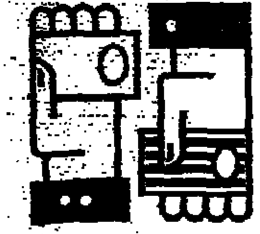
FINANCIAL TIMES SURVEY

CORPORATE FINANCE

SECTION III

Monday June 18 1990



The wave of acquisition activity in the US and the UK peaked in the last 18 months of the 1980s, leaving the corporate finance industry in a state of flux. **Nikki Tait** analyses reasons for the present lull and examines prospects for new opportunities in Europe

Time to pick up the pieces

ANCIENT civilisations used to believe that an earthquake signalled political change. In the world of corporate finance, it would be tempting to argue that simple chronology – the ending of a decade – has fulfilled a similar function.

The case is easily made. Acquisition activity in both the main "Anglo-Saxon" markets rose exponentially during most of the 1980s. This trend was accompanied by the development of increasingly ingenious financing instruments. It also created vast armies of intermediaries, keen to feed – and if necessary, stimulate – this hunger for corporate assets.

In the UK and the US, the wave peaked in the last 18 months of the decade. In the US, the zenith came with a record-breaking $25bn offer by KKR, the leveraged buy-out specialists, for RJR Nabisco, signed in late 1988. Last year, activity merely matched 1988 levels, with some $260bn-worth of business completed, according to Extel Financial figures, representing 2,800 deals.

The turning point arrived last autumn – although warning signs had been flashing for some time before that. First, there were mounting problems with some of the most aggressive transactions struck in the late 1980s. Top of the list was the Canadian retailer, Campeau Corporation, which had acquired Allied and Federated Stores in two quick-fire "junk"-style deals – and which filed for Chapter 11 bankruptcy protection in January.

In November, Wall Street saw the abortive leveraged bid for UAL, United Airlines' parent. That debacle signalled the growing wariness among senior debt providers towards leveraged deals. The collapse of Drexel Burnham Lambert, the investment bank which had facilitated many of the most ambitious transactions, followed three months later.

So when figures for the value of announced bids in the US during the first quarter of 1990 were compiled, the result was predictable. Activity, year-on-year, had fallen by around 30 per cent.

Superficially at least, the pattern in the UK has been similar. A year ago, two deals – the £2bn fight over Gateway, the food retailer, and Sir James Goldsmith's £13.5bn assault on BAT Industries – appeared to be pointing the way to greater use of debt-funding generally, as well as the introduction of US-type financial instruments.

In August Hanson acquired Consolidated Gold Fields for £3.5bn, the *largest completed* deal in the UK. This, plus five other "mega-transactions", took the value of announced bids in 1989 to an all-time high of £85.2bn.

Since the start of 1990, the UK bid scene has also been noticeably quieter, although the value of concluded deals in the traditionally dull first quarter was still slightly ahead of 1989 levels. Leveraged transactions and the "mega-deals", in particular, have virtually disappeared. On a more anecdotal note, most domestic bankers note grimly that the "fall-off" rate – those deals which never make it to the marketplace – is rising.

These depressed levels of activity coincided with a fundamental challenge from fast-changing European economies to many "Anglo-Saxon" concepts. The notion of shareholder rights, for example, is not embedded in Continental culture; nor is the drive for 100 per cent ownership. Instead, complex structures of alliances and relationships rule.

They are also compounded in the US by a backlash of protectionist measures, particularly through a variety of new State laws. Pennsylvania, *for* example, has severely *restricted the voting powers of* a corporate raider holding *more than 20 per cent of a target* company, and also forces the "disgorgement" of profits on the sale of holdings. Moves of this nature lead one senior London-based banker to argue that the UK is becoming the only haven for unfettered shareholders' rights.

That may be pushing the point. But it would not be difficult to reach the conclusion that corporate finance in the 1990s will be very different from the 1980s.

This is the point at which one should probably be wary. While there may be large measures of truth in the preceding argument, it is almost certainly simplistic.

A closer examination of the reasons why acquisition activity has dipped suggests this may be a temporary check, capable of change at short notice, rather than a fundamental shift.

In part, the lull results from funding problems. On the leveraged front, there has been a serious loss of appetite among the senior debt providers, most prominently the US banks. By contrast, many *investment bankers claim* there are still ample pools of *equity and mezzanine finance* available for leveraged transactions.

It is also true that even debt funding has not dried up altogether; rather, the bankers *appear to be taking an* extremely conservative stance, seeking cast-iron security and with a strong preference for backing "blue-chip" acquirers.

Interest rates also have some bearing on the matter. In a more conservative climate, cash flow requirements become tougher and, given the relatively high interest rate environment, the number of "doable" deals declines.

In the UK, this shift in banks' lending policy has had a significant, but far from catastrophic, effect on activity. Highly-leveraged deals may have been on the rise in the late 1980s, but they were never the core constituent of the domestic acquisitions scene. Moreover, there have been some recent cases of would-be acquirers tapping the heavily-liquid institutional coffers, via rights issues and other fund-raising moves. This, admittedly, is a tentative development and stockmarket volatility is still a barrier to a revival *of the traditional underwriting* system. But it is, at least, a *move in the right direction.*

In the US, where the leveraged *culture was more* advanced, the impact has been much more severe. To *some* extent, the "private placement" *market* has attempted to plug the funding gap, but most players concede this is a relatively costly and cumbersome alternative.

The "European" impetus, meanwhile, is still in its embryonic stages. The surge in European cross-border activity has been marked but it is worth remembering that it starts from a very low base. Moreover, the relatively open UK market continues to attract much of the attention: according to figures compiled by Translink European Deal Review, more than half the 1989 cross-border acquisition spend – some £15.5bn in round figures – went on UK target companies. West Germany fell into second place, attracting only one quarter of that sum.

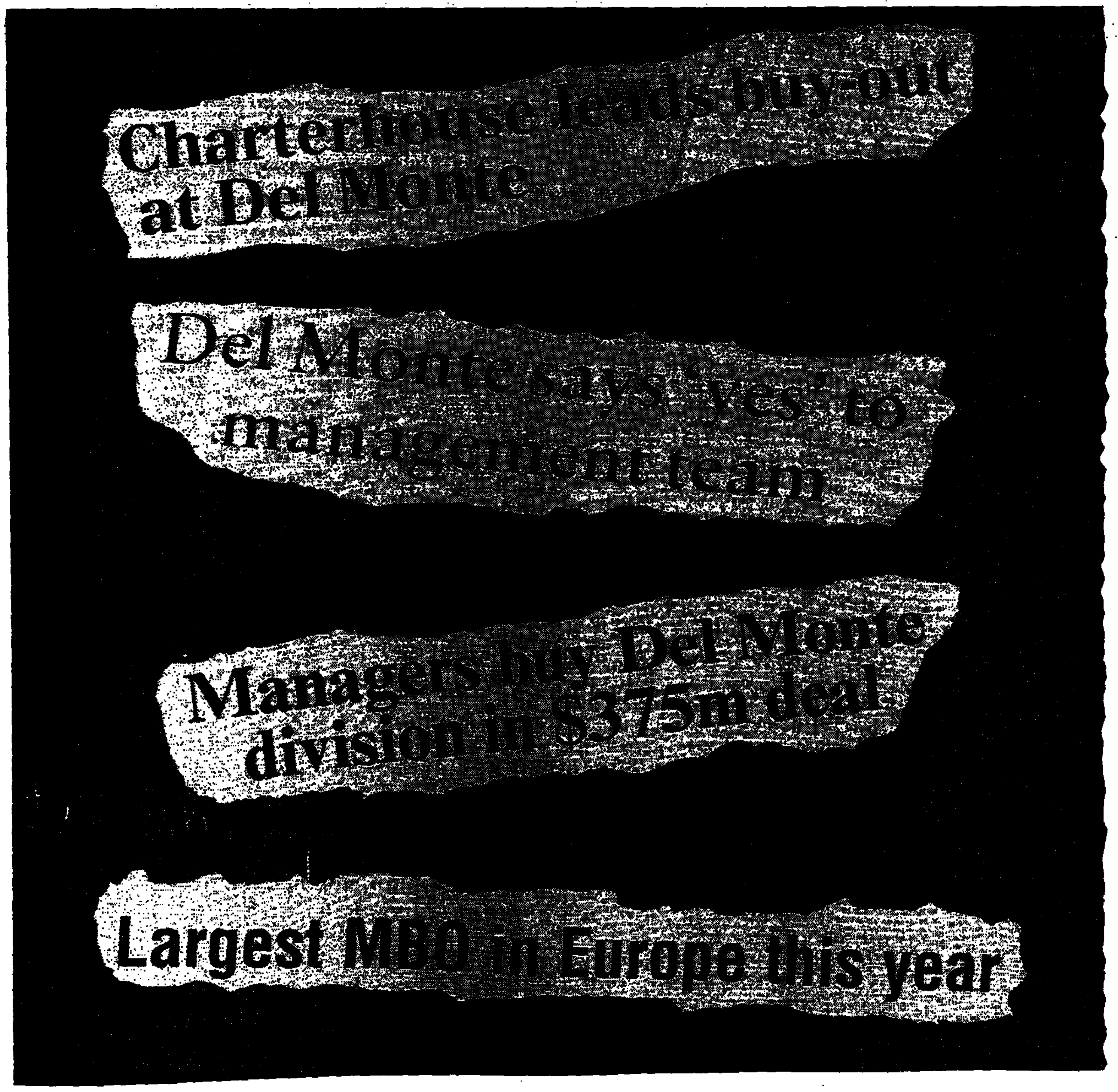
Few professionals dispute that some interchange of the Continental and Anglo-Saxon financial cultures is already under way – and that the trend may have considerably further to go. The thrust of the *takeover harmonisation initiatives* emanating from Brussels has been broadly "Anglo-Saxon". But, in the real *world of deal-making, some* European concepts have *seeped across the Channel* – the cross-holding structure between Guinness and Louis Vuitton Moet Hennessy being a *recent example – just as some* Continental players have proved adept at playing the Anglo-Saxon game. All this would seem to point to a blending of styles, rather than dominance by either.

One way in which the 1990s will differ from the 1980s is incontestable; someone will have to pick up the pieces. In New York and London, the sight of deals coming unstitched, corporate restructurings and complex refinancing has become commonplace.

That poses some awkward questions about intermediaries' responsibilities – whether they are merely the tools of managements or play a real part in shaping corporate destinies. In the late 1980s, there was a clear trend in the latter direction. So if the lull gives pause for thought, on this score alone, it may be no bad thing.

In this survey

Editorial production: Roy Terry



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Caught in the worst of all worlds

"LAST WEEK, I was told that three big deals had cratered. This week, I'm told that two are back on again. The list of active jobs is no less than a *year ago. The question is,* are they coming off ?"

The head of one large UK investment bank surveys the domestic bid scene with a mixture of uncertainty and stoicism, but with traditional opportunism unpunctured. This is a picture that gets repeated many times: plenty of ideas are being explored, say the bankers, but relatively few *are bubbling to the surface.*

Certainly, in terms of straight statistics, UK bid activity is undergoing a lull, particularly at the "large deal" end. The same scenario is true for flotations – which are virtually at a halt – and for share issues. Only on the latter front has the situation changed in recent weeks, with a modest and cautious upturn in rights issues and the like, under way.

There are some obvious reasons for this. David Verey, head of Lazard Brothers, states them neatly: "Inflation is 10 per cent, interest rates are 15 per cent upward, corporate profitability is patchy, there's stockmarket volatility and debt markets are undoubtably getting stickier. So activity will be slower."

In fact, from an M&A viewpoint, the UK seems to be caught in the worst of all possible worlds. On the one hand, high interest rates and an uncertain stockmarket make acquisition funding difficult. On the other hand, purchase prices for corporate assets have been slow to fall. In the case of quoted companies, in particular, high levels of institutional liquidity have meant that significant premiums are usually demanded before a bid begins to stand a chance of success.

UNITED KINGDOM

Indeed, a number of players suggest that this situation began to rectify itself only in the late-1989/90, and that the May/June stockmarket rally – if sustained – could prohibit any significant upswing in activity later this year. Anticipation of election-related moves a year or so out, runs the theory, might ensure that the required adjustment in sale prices never takes place. In the meantime, the funding constraints would tie the hands of many would-be buyers.

There may be an element of truth in this, but it is probably over-simplistic – and over-gloomy to boot. For a start, there is a feeling that price resilience is due partly to a "flight to quality". As Derek Higgs at S.G. Warburg puts it: "There's a two-tier market: you'll still get a fair price for a good business, but you can't give a dog away."

More significantly, there is the well-publicised "European" trend, where strategic positioning tends to take precedence over pure price considerations. As far as the UK market is concerned, there are two relevant forces; the desire by Continental European companies to expand into Britain, and that of non-European companies to use the UK as a springboard into Europe. The first trend has been clearly discernible – witness the French move into the UK water industry, for example, or the steady purchase of UK fund management operations by Continental banking groups.

The second, perhaps, is more hesitant; although the UK offers the most accessible market, and poses fewer language problems for American and Japanese buyers, it is not necessarily a winner in "operational" terms, particularly as Eastern Europe opens up.

Most UK banks concede privately that creating a structure to service these new demands is easier said than done. Aside from a few strong established contacts in particular markets – Lazard Brothers with Lazard Freres in Paris and Morgan Grenfell through Deutsche Bank – most banks have alighted on one of two solutions. Either they have set up a string of "alliances" with domestic players on the Continent, and then run a UK-based "European" team, or – *a la* Warburg – have opted to run offices in the main markets.

Either way, most UK players concede that there are difficulties – either in finding high-quality alliances and then making them work, or establishing a sufficiently significant presence via a local office. And, privately at least, most admit that this is one area where US banks have tended to move more smartly. In short, pan-European deal-making may be a growth area, but it is not without difficulties.

Back home, on the other hand, economic problems have created some opportunities of their own. The most obvious workload has come from what one banker describes as "the orderly dismantling of shaky edifices". This may not be as profitable as their creation, but it does command some fees.

Moreover, while bid activity may be undergoing a lull, the trepidation felt by some quoted company chairman about their depressed share prices shows no sign of evaporating. That, in turn, seems to have added grist to the "unbundling" mill, enhancing the corporate fashion for streamlined business groupings rather than "conglomeration". The reception given to the likes of the BAT Industries' restructuring and the Courtaulds demerger, suggests that this trend may have further to run.

Finally, the funding picture itself is not entirely bleak. Most bankers agree that leveraged deals have become very difficult, largely because the senior debt providers have put up the shutters.

By contrast, some movement on the equity funding front does seem to be under way, helped by the recent strength of the stockmarket. A smattering of rights issues – largely below the £150m mark – have been presented to investors, some attached to specific acquisitions. Tomkins, the industrial conglomerate, recently called for more than £300m to fund a US acquistion, but took the unusual step of saying publicly it would market the deal among shareholders before attempting to underwrite the rights issue.

The only fear is that the stockmarket rally will reverse, leading to a new wave of uncertainty. At the end of the day, volatility is the dealmaker's nightmare.

Nikki Tait

MERCHANT BANK CORPORATE FINANCE ACTIVITIES

Flotations

Ranking 1989	Ranking 1988	Bank	1989 No.	1989 Value (£m)	1988 No.	1988 Value (£m)	% change 1989/88 No.	% change 1989/88 Value
1	2	J.Henry Schroder Wagg††	16	16,655.00	8	2,905.00	100.00	473.3
2	1	Samuel Montagu†/††	8	13,058.70	9	2,711.70	-11.11	381.6
3	-	Kleinwort Benson†	8	10,395.40	5	210.60	60.00	4,836.1
4	4	Morgan Grenfell†††	1	5,239.20	1	1,650.00	0.00	217.5
5	7	N.M.Rothschild & Sons	4	1,604.69	1	341.00	300.00	370.6
6	5	Lazard Brothers†	2	934.14	8	202.97	-75.00	360.2
7	-	*Lloyds Merchant Bank*	*2*	*895.15*	6	63.40	-66.67	1,311.9
8	3	Barclays de Zoete Wedd	3	360.60	9	2,694.10	-66.67	-86.6
9	-	Robert Fleming & Co.	2	273.00	2	6.40	0.00	4,165.6
10	10	S.G.Warburg	1	246.20	3	111.20	-66.67	121.4

Notes:
†1988 figures changed by the bank;††includes 10 Water & Sewage businesses in England & Wales(Samuel Montagu was lead underwriter);†††2,183m shares at 240p per share of the Water & Sewage businesses of England & Wales (underwritten by 18 banks incl.MG).

Rights issues

Ranking 1989	Ranking 1988	Bank	1989 No.	1989 Value (£m)	1988 No.	1988 Value (£m)	% change 1989/88 No.	% change 1989/88 Value
1	1	S.G.Warburg	7	682.10	13	1,249.70	-46.15	-45.4
2	8	Kleinwort Benson	8	563.10	4	262.80	100.00	114.3
3	-	Lazard Brothers	5	436.01	4	27.60	25.00	1,479.7
4	7	Morgan Grenfell†	3	435.40	9	340.40	-66.67	27.9
5	10	Samuel Montagu	9	414.50	13	240.20	-30.77	72.6
6	9	UBS Phillips & Drew	7	387.90	9	244.70	-22.22	58.5
7	3	J.Henry Schroder Wagg†	8	320.80	7	635.30	14.29	-49.5
8	-	Chaterhouse Bank	9	318.00	6	164.80	50.00	92.9
9	-	N.M.Rothschild & Sons	6	287.50	3	42.00	100.00	584.5
10	2	Barclays de Zoete Wedd	10	214.40	7	1,053.60	42.86	-79.9

Notes:
†1988 figures changed by the bank.

Research: Jan Schling

'Vulture funds' move in on ailing companies

WALL STREET, having gained mightily from the takeover boom of the 1980s, is now trying to turn a profit from sorting out the corporate mess spawned by that era, and which it played no small part in creating.

More and more US companies are filing for bankruptcy, or negotiating complicated restructurings with their creditors as many of the highly leveraged takeovers organised in the 1980s find themselves facing cash crises in a less balmy economic climate.

All the parties to these negotiations need financial advisers, and while the fee income may not match the huge sums involved in large bids, it is still welcome in a world which has turned very chilly for the Wall Street houses themselves.

A growing number of institutional investors are becoming interested in so-called "vulture funds", which invest in down-and-out companies. Even Goldman Sachs, one of the most blue-chip of Wall Street investment banks, is setting up a fund to take stakes in distressed businesses. It will be by far the biggest yet and is likely to set an example for other top securities houses.

The death knell for the takeover boom was sounded last autumn by the severe financial difficulties and subsequent bankruptcy of highly-leveraged Federated Stores, bought by Canada's Campeau Corporation in one of the most wildly optimistic deals of the junk era. Last October the highly-leveraged bid for UAL, the parent company of United Airlines, came to an abortive end and prompted a mini stock market crash.

The last rites were delivered earlier this year with the collapse of Drexel Burnham Lambert, the investment bank which did more than any other to promote the takeover wave, through its pioneering of high yield "junk" bonds and huge bridging loans that allowed insignificant companies to mount audacious and successful bids for much larger businesses.

The junk bond market has imploded, leaving some large Wall Street houses sitting on big losses and shattered reputations both from this and bridging loans which have gone sour. Many companies that sold junk bonds to investors are now trying to buy them back at a deep discount to the issue price. According to First Boston a record $2.5bn of junk was bought back in the first quarter of this year. The tactic obviously helps companies which have the cash to retire debt cheaply, and some holders of the securities will be happy to see any return on investments which may have suffered a drop in value of 40 per cent or more. Other bondholders, however, have complained they are being stampeded into unwise acceptances.

With the disappearance of the junk finance which fed the bid boom, the volume of takeover bids in the US has slowed to a trickle. According to Securities Data the volume of announced US bids was down 61 per cent in the first five months of this year, compared to 1989.

While the much tougher climate has been one reason for the contraction, another has been a wave of anti-takeover sentiment. This has been manifested particularly in increasingly tough legislation at a state level.

Pennsylvania has put in the most onerous anti-bid law, one which severely restricts the voting powers of corporate raiders holding more than 20 per cent of a companies and also forces them to "disgorge" profits on the sale of holdings.

Pennsylvania's move is particularly controversial, since it weighs the scales so heavily in favour of incumbent management and removes much of the power of market forces to regulate corporate behaviour. As a result it has been dubbed the "fat cat protection and shareholder rip-off" act.

UNITED STATES

Other states may not be so extreme, but the various barriers already erected to bids – or which might be erected if one materialises – will be making predators think very carefully before launching an offer.

Investment bankers argue that while the days of the mega-merger are now past, deals will continue to be done – but they will tend to be agreed bids and involve sound industrial logic rather than the financial engineering which lay behind many of the takeover battles of the 1980s. Further, the lack of ready bid funds in the US may open the market more widely to foreign companies.

US companies for their part are looking much more towards acquisitions and joint ventures in Europe, prodded by the twin prongs of the European Community's 1992 programme and collapse of the Soviet Empire.

In the US, meanwhile, the past few months have seen a change of strategy by corporate raiders and hostile bidders: they have increasingly been employing the proxy battle – the solicitation of votes from shareholders – as a means of pursuing their goals, or as an adjunct to a formal bid. The main reason is that they can get round anti-takeover legislation if they can persuade shareholders to change the composition of the company's board.

Certainly, the much more hostile climate for bids should make institutional shareholders flex their muscles more if they are to ensure that American management does not relax into complacency.

With the fall-off in merger work and a dearth of related securities underwritings, some bankers are hoping that a recent change by the Securities and Exchange Commission, which liberalises the US private placement market, will provide one useful area of additional business. The new rule 144a allows US and foreign issuers to offer debt and equity securities to large institutions without having to go through the SEC's onerous registration requirements.

But the pace of new offerings is likely to build up slowly, in part because of a reluctance by some US institutional investors to buying more privately-placed securities. Only Goldman Sachs and First Boston, which between them have a sizeable chunk of the private placement market, are believed to have picked up any substantial business. Nevertheless, the rule change is expected to lead to a large secondary market in unregistered securities.

Martin Dickson

Only certainty is uncertainty

FOR MONTHS after the first chinks of light shone through the Berlin Wall, the West German stockmarket went on an extended party.

The inebriation may now be giving way to a more sober assessment of the costs, as well as the benefits, of the economic reunification of the two Germanys in the near term. But the fundamental re-rating that has occurred since November remains valid.

Mr Helmut Haussmann, the West German economics minister, recently forecast that, in the 1990s, East Germany would have one of the world's highest growth rates. And West German companies believe that, given patience, economic union will eventually bring them handsome returns.

WEST GERMANY

Many are opting for joint ventures with existing East German firms; but in large sections of heavy industry – chemicals, for instance – the environmentally disastrous and unproductive pre-war fabric is worth nothing, so that starting from scratch becomes the only viable option.

Continued on facing page

The Hubble Space Telescope is set to alter our perception of the universe. Launched in the Space Shuttle at the end of April it has been claimed as the most exciting astronomical development since the discoveries of Galileo. At half a million times more powerful than the human eye it detects objects 50 times fainter than those that can be seen from ground telescopes.

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Big commercial banks vie for slice of the market

FRANCE

THE LAST few years have seen a surge in interest in the French corporate finance market. Besides the traditional specialist merchant banking houses and newly-installed foreign banks, the big commercial banks have steadily built up their capacity in the sector.

Now, even mutualist groups, whose business is overwhelmingly concentrated on retail banking, have increasingly tried to develop capabilities in this field, which they used to leave alone.

The rapid expansion of some market segments explains these appetites. New issues, for example, took off in the early 1980s from more or less stagnant base and have scarcely let up since despite a few market scares.

Deregulation of the capital markets and a progressive end to the multiplicity of specialised and often subsidised lending circuits that characterised France 10 years ago led to an explosion in bond market activity in the first half of the 1980s: from FFr106bn ($18.6bn) of new issues in 1981 to a peak of FFr[illegible]7bn five years later.

This rapid growth has not continued, but new-issue volumes have been sustained, at FFr34[illegible]n in 1988 and FFr329bn last year. The proportion of this total accounted for by Treasury bond issues has, moreover, diminished.

The primary equity has displayed an even more explosive growth. From an average of just over FFr30bn a year in the early 1980s, new equity issues took off to FFr73bn in 1985, almost doubling the following year to FFr137bn. This volume has continued to grow, almost unchecked by the stockmarket crash of October 1987, to reach FFr152bn in 1988 and FFr240bn last year.

Perhaps more significantly, public share offerings, which average FFr3bn a year in the early 1980s, have maintained their presence. New public issues, which reached a peak of FFr63bn in 1986, did dwindle in the wake of the crash, and totalled FFr32bn in 1988, but recovered to FFr59bn last year.

Anxieties after the crash, in fact, provided grist to the mill of the corporate finance specialists, by opening the way to more sophisticated issues: convertible issues took off in 1988, and issues of shares or bonds with attached warrants have also provided a fertile market for bankers.

A field for even more sophisticated financial engineering was opened after the re-election in May 1988 of President François Mitterrand, and the replacement of the right-wing government of Mr Jacques Chirac by a socialist administration under Mr Michel Rocard.

One of the key planks of Mr Mitterrand's manifesto was the principle that the privatisation of state companies should stop, but that there should be no renationalisations. The state was reluctant, for budgetary reasons, to provide straight cash injections for its companies, but these in many cases required new capital – the banks, to meet the Cooke capital adequacy ratios; industrial groups, to finance a series of overseas acquisitions.

Rhône-Poulenc, the state chemicals group, led the way with an innovative series of securities, looking like equity but without the kick of the real thing.

Some banking analysts noted, however, that the innovative drive came mostly from foreign banks. Rhône-Poulenc's "perpetual capital notes", for example, were devised by Merrill Lynch, the US investment bank, while an issue of "participating securities", arranged to resemble as closely as possible the company's non-voting certificates of investment, was led by Shearson Lehman.

The mergers and acquisitions market has also represented a fruitful ground for foreign banks. According to PF Publications, a specialist monitor, cross-border deals accounted for 57 per cent of French deals last year: FFr164bn of French acquisitions abroad, and FFr63bn of foreign acquisitions in France, compared with FFr174bn of Franco-French deals.

Four foreign banks – Morgan Stanley, Goldman Sachs, S.G. Warburg and Baring Brothers – pushed into the top 10 advisers last year by value of deals, according to PF, with Midland Bank, Kleinwort Benson, Bankers Trust and Dillon Read close behind. Even by number of deals – where domestic banks handling large quantities of smaller operations tend to be favoured – Barings, Bankers Trust, Goldman and Warburgs ranked among the top 10.

Anxieties after the 1987 crash, in fact, provided grist to the mill of the corporate finance specialists, by opening the way to more sophisticated issues

The dominant forces in French M&A, however, remain the traditional *banques d'affaires*, a peculiarly French concept that differs from the British merchant bank or the US investment bank, by blending corporate finance and capital market activities with an actively-managed portfolio of on-balance sheet equity investments.

The two prime examples are Paribas and Suez, although some critics argue that Suez has lost the *banque d'affaires* culture and become a financial conglomerate. It is Lazard Frères, however, which takes the lion's share of the market.

"The main characteristic of the French market is, above all, its concentration around a single, traditionally dominant actor, the house of Lazard," comment Mr Olivier Costa de Beauregard and Mr Jean-Pierre Denis, in a recent study of M&A activity, entitled The Return of Capital.

Both in 1988 and in 1989, Lazard – one of the leading shareholders in Pearson, which also owns the FT – advised on deals worth more than twice as much as its closest rival, Suez, and it is present in almost all the largest transactions.

"The thing has become a system: they have directors on the boards of so many companies that chief executives will almost always offer them first crack at a deal, rather than risk a row with their board by giving a mandate to another bank," comments one disgruntled competitor.

Other competitors admit, however, that Lazard still has a formidable skill in the M&A market, backed up by its close ties with the two other Lazard houses in London and New York, which provide it with a strong advantage in cross-border transactions. Lazard, for example, advised the glass and materials group St Gobain in its recent $1.8bn acquisition of the US abrasives company Norton. It was also charged with finding a US target for Axa, the French insurance company which earlier this year failed to win control of the Farmers group, despite Axa's close ties to Paribas.

The creation of corporate finance teams at the main commercial banks, and even some minor retail banks, has done little to dent this domination.

George Graham

Temporary brake on growth

JAPAN

THE shock suffered by investors in Tokyo's financial markets is unlikely to have put more than a temporary brake on the growth of Japanese mergers and acquisitions.

"The uncertainty has had an effect. But I don't think this is a substantial concern for Japanese companies," says Mr Hiroshi Nakamura, director and general manager in charge of investment banking at the Industrial Bank of Japan. Mr John Schlesinger, managing director in charge of investment banking at Salomon Brothers in Tokyo, says: "The short-term effects are already wearing off."

Corporate finance experts have good reason to talk confidently – and not just because they are investing big money in their M&A departments. Japanese companies are generally not opportunistic buyers of other businesses, motivated by a chance to exploit a particular blip in the stock market. They seek acquisitions for strategic reasons which have more to do with the outlook for a given industry than for the financial markets.

Moreover, interest in M&A is spreading to an ever-wider range of companies – small and medium-sized groups as well as big corporations. As the table shows, according to Yamaichi Securities, the number of acquisitions completed by Japanese companies in the year to March rose 33 per cent to 740, including 448 cross-border transactions and 27 domestic deals.

The list of international deals includes spectacular large aquisitions, among them Sony's $3.4bn purchase of Columbia Pictures Entertainment and Kikoman, the food company's $1.47bn acquisition of a unit of Del Monte, the food processing group which was broken up as a result of the takeover of its parent, RJR Nabiso. But the bulk of the list is composed of acquisitions worth between $10m and $100m. The average size, according to Yamaichi, is $60m.

Among foreign acquisitions, the biggest change in the past year has been an enormous growth in interest in Europe. Salomon's Mr Schlesinger says: "The focus used to be mainly in the US. Now it's increasingly on Europe."

Nevertheless, the US is likely to remain the biggest destination for Japanese companies looking overseas. Japanese companies know the US better than they know Europe. Also, deals are easier to close then in some European countries.

Some foreign bankers think the number of large $1bn-plus deals could fall because the US domestic market in M&A has calmed down in the wake of the collapse of the junk bond market, which provided funds for so many transactions. Japanese companies themselves stayed away from hostile bids, but they often bought businesses from corporate raiders.

Also, some Japanese companies are beginning to take seriously US charges that Japanese bidders pay too much for their acquisitions. It is now two years since Bridgestone, the largest Japanese tyre company, bought Firestone Tire and Rubber for $2.6bn. The company underestimated the problems involved in improving Firestone's performance and does not expect Firestone to stop losing money until 1992.

However, such considerations need not necessarily blight smaller deals priced up to $1bn, still less those valued under $100m, which account for the bulk of transactions.

Interest in M&A is spreading to an ever-wider range of companies, small and medium-sized groups as well as big corporations

Even large Japanese companies often prefer transactions of this scale since they are more easily integrated. In a typical deal, Sankyo, a large drugs company, spent $129.5m on a controlling 74 per cent stake in Luitpold-Werk, a family-owned company in Munich, West Germany.

Interest in domestic M&A is also growing, As Yamaichi's figures show. But the market is quite different. It is dominated by transactions involving private companies, often with elderly founders having to sell out for want of a suitable successor.

Deals involving larger companies are exceptional. Mitsubishi Metal and Mitsubishi Mining and Cement, two of the largest companies in the Mitsubishi grouping, earlier this year announced plans to merge. The news prompted speculation that widespread consolidation might be afoot in the Mitsubishi empire. But this seems unlikely. Mitsubishi Metal and Mitsubishi Mining are a unique pair of equal-sized companies which were originally one company until they were divided during the post-war break-up of pre-war conglomerates.

Japanese companies' resistance to M&A has been made glaringly apparent by the attempts of Mr T Boone Pickens, the Texan corporate raider, to make headway in his battle with Koito, a Japanese auto parts maker. Mr Pickens has built a 26 per cent stake in Koito, which is loosely affiliated to Toyota Motor, the carmaker. But he has failed to win seats on the Koito board even though Toyota, a 19 per cent shareholder, is represented.

Whether or not resistance to takeovers will weaken in Japan is one of the key questions of the 1990s for investment bankers. The potential for restructuring is huge given that Japan's existing corporate structure dates back some 40 years. In particular, there are too many companies in traditional industries, including shipbuilding, shipping, chemicals and some areas of engineering, as well as other parts of the economy, notably retail.

But it seems unlikely that restructuring will occur US-style with blocks of corporate assets going to the highest bidder. Rather the chances are that Japanese companies will prefer to solve their problems with a greater emphasis on mutual co-operation. They have done this before – for example Akai, a second-tier electronics company, has been brought from the brink of bankruptcy in the last three years by Mitsubishi Bank and Mitsubishi Electric, two leading members of the Mitsubishi grouping, to which Aiwa also belongs. The price has been some loss of independence, but Aiwa survives as a separate company. Mitsubishi Bank and Mitsubishi Electric have stakes of 7.2 per cent and 7.7 per cent respectively.

Stefan Wagstyl

Japanese mergers and acquisitions: number of transactions

	1985	1986	1987	1988	1989
Japanese buyer/ Japanese seller	163	226	219	233	278
Japanese buyer/overseas seller	100	204	228	315	448
Overseas buyer/Japanese seller	26	21	22	17	11
Total	289	451	469	555	740

Note. Financial years to March

Source: Yamaichi Securities

Continued from facing page

The hunger for Western products by a nation of 16m people, allowed only tantalising glimpses of the prosperity of their neighbours, one of the world's richest countries, is immense – and West German consumer companies have already begun to reap rewards.

At the other end of the scale, price-earnings ratios of construction companies have shot up, in expectation of years of work rebuilding and renovating a nation of crumbling façades.

However, the pot of gold represents a corporate financier's nightmare. Given the speed with which the country has lurched towards monetary union, set for July 2, and all that the introduction of a social market economy entails, virtually the only certainty is uncertainty.

In a country where the former central bank does not know whether it owns its own building, the problems are vast.

The old state bank is housed in what, before the war, was the Dresdner Bank headquarters. Its dilemma illustrates how the entire area of property rights remain a political minefield.

Other company assets are impossible to value, and it is only now that accountants are attempting to draw up opening balance sheets for the old state concerns.

It is no wonder that, despite the plethora of east-west partnerships that have reached the letter-of-intent stage, very few operations are actually up and running.

Those that have proceeded quickest often grew from well-established existing relationships, such as Volkswagen, which is already producing cars across the border in a joint venture with a long-time VW supplier.

It is also hardly surprising that most foreign companies are still on the starting-blocks. The cartel authorities – caught between recognition of the urgent need for capital to bring the country to its feet, and the fear that former communist monopolies will simply be replaced by West German monopolies – have been urging foreigners to invest via joint ventures or their own plants, so far to little avail.

Meanwhile, as East German citizens shed the fetters of a planned economy, information is at a premium. Bankers, management consultants, lawyers and accountants have been running seminars across the country, unveiling even the simplest accounting principles to a thirsting audience.

While whole sections of the monolithic combines will be closed, unable to hold their own outside the protective communist ring, the country's economic fate will be more closely tied to the progress of the so-called *Mittelstand*, small and medium-sized companies at the core of the West German economic engine.

Largely enveloped into the combines in the early 1970s, the *Mittelstand* needs to be rebuilt. A Saxon organ-builder applies for a loan to buy back his old business. An entrepreneur in Frankfurt-an-der-Oder wants to open a tennis and squash club. It is in the smaller and medium-sized companies, bought back from the state or started anew, that West German and foreign companies will find the most promising opportunities.

Katharine Campbell

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Janet Bush looks at Wall Street investment banks

Shake-out has been severe

AFTER a decade of multi-million dollar bonuses, enormous profits from trading volatile financial markets and takeovers dreamed up by *investment bankers for no better* reason than to earn huge fees, the shake-out on Wall Street has been severe.

In the past six months, some of the mightiest names on Wall Street have been forced to square up to severe financial and business problems. Some executives believe that the securities industry, which has already lost 17,000 jobs since the October 1987 stock market crash, needs to slim down by another 25 per cent or another 35,000 to tackle overcapacity.

The brokerage industry's return on equity dropped from around 50 per cent in 1980 to *scarcely 6 per cent in 1989 and* pre-tax profit margins are now around 4 per cent compared with 14 per cent at the beginning of the 1980s. Earnings in 1989 were roughly half of what they were in 1986, the year in which Drexel Burnham Lambert staggered the financial world by reporting a pre-tax profit of $1.1bn.

After the 1987 crash, trading volumes in financial markets dropped considerably, putting a severe squeeze on commissions and reducing the scope for making trading profits. In response, many houses rushed headlong into high margin, fee-earning investment banking which, for a while, masked the underlying erosion of profitability in the industry.

A retrenchment on Wall Street on a scale not seen since the 1970s when fixed commissions were abolished, became an inevitability on the day that the proposed leveraged buy-out of UAL, the holding company for United Airlines, collapsed and triggered a 190-point fall in the Dow Jones Industrial Average *last October 13*.

Although the UAL deal has been revived, the demise of the original buy-out signalled to Wall Street that banks were baulking at financing deals with obviously inflated values and dependent on junk bond financing. Almost overnight, the junk bond market collapsed – and has not shown any signs of recovering – and the flood of fees from mergers and acquisitions promptly dried up.

Some of the mightiest names have been forced to square up to severe financial problems

Drexel Burnham itself was the most prominent casualty. Facing a liquidity crisis, it found itself abandoned by its bank creditors and US regulators and on February 13 filed for protection under Chapter 11 of the US bankruptcy code.

Since then, the broker/dealer *itself and all other operating* subsidiaries have filed for Chapter 11 and there seems very little prospect of anything but a small, specialised operation emerging from the courts.

Although competitors talked enthusiastially about the opportunities in junk financing left by Drexel's demise, it *seems unlikely they will make* much money either from underwriting or trading junk bonds.

It was difficult after the October mini-crash to see where the next profit centre would be and many securities houses finally started to administer some bitter medicine, not only to address past over-expansion and mistakes but also to position themselves *for what will undoubtedly be* extremely competitive conditions in the 1990s.

Merrill Lynch, the largest brokerage house, announced a record $470m restructuring charge in January against its fourth-quarter results, leaving it in 1989 with its worst loss. Merrill had long been notorious for being overstaffed and did not move to cut costs significantly despite the drop in retail investor participation after the October 1987 crash.

Last December, severe problems became apparent at Shearson Lehman Hutton which had been struggling to contain the enormous costs associated with its merger with E.F. Hutton shortly after the 1987 crash. Moody's, the US credit-rating agency, was *threatening a downgrading of* its commercial paper unless it received a significant infusion of new capital.

Accordingly, a significant capital injection was announced last year but this was not enough in the nervous conditions following Drexel's bankruptcy. In the end, its parent American Express was forced to put in a total of $1.35bn in fresh capital and decided to take 100 per cent control of its troubled brokerage subsidiary. Mr Howard Clark, formerly American Express's chief financial officer, was put in charge of swingeing cost-cutting and a far-reaching restructuring.

Another example of a sea change in the management of Wall Street is the decision by General Electric to take 100 per cent control of its brokerage unit Kidder, Peabody which made a loss of around $23m in 1989. At the same time, General Electric relieved its subsidiary of $7[illegible] of illiquid securities and loans.

General Electric had bought *an 80 per cent* stake in Kidder in 1986 for more than $700m when all kinds of corporations were snapping up interests in Wall Street because the industry was making so much money. There is no doubt General Electric's investment went sour: the deal announced with Kidder in March cost the company another $5[illegible].

First Boston, which had been active in leveraged deals, also had its share of problems: in February it revealed it had a $1.[illegible]bn exposure to [illegible]-related bridge loans and that it made only $11m in 1989 after making significant additions to its *reserves. In this case*, too, First Boston was bolstered by the backing of the Credit Suisse banking group.

Despite all these woes there were some hints of the resilience which characterises Wall Street. Morgan Stanley, for example, made record net income in 1989 of $41[illegible] and boosted its quarterly dividend. Salomon Brothers, the war-horse of trading, made [illegible]1m from its securities business in the first three months of the year and simultaneously announced the opening of its East Berlin office.

Nikki Tait assesses UK merchant banks

Shadow falls over the Nineties

MERCHANT BANKS: Mergers and acquisitions

Ranking 1989	Ranking 1988	Bank	1989 No.	1989 Value (£m)	1988 No.	1988 Value (£m)	% change 1989/88 No.	% change 1989/88 Value
1	1	S.G. Warburg	82	29,16[illegible]	85	16,056	-3.52	81.67
2	11	Goldman Sachs	14	23,18[illegible]	15	4,642	-6.67	399.53
3	8	Lazard Brothers	64	22,34[illegible]	56	5,590	14.29	299.73
4	5	Shearson Lehman	30	16,99[illegible]	35	8,326	-14.29	104.17
5	-	Bankers Trust	21	15,11[illegible]	NA	NA	NA	NA
6	16	Hambros	36	14,91[illegible]	32	1,544	12.50	865.80
7	2	J. Henry Schroder Wagg	64	14,68[illegible]	101	14,264	-36.63	2.92
8	3	Morgan Grenfell	36	14,52[illegible]	89	12,471	-59.55	16.45
9	-	Drexel Burnham‡	1	13,50[illegible]	NA	NA	NA	NA
10	6	Kleinwort Benson	66	13,34[illegible]	57	8,117	20.00	64.43

Notes:
Bids for all UK Companies and British bids abroad.
(Source FT Mergers&Acquisitions Jan.1990/Feb.1989.)
‡Drexel declined to give details of bid activity.

IT MAY be too early to call 1989 the last year of the mega-deals. But, even if UK bid activity revives at some stage in 1990, it seems unlikely the aggregate acquisition values – and the associated fees – will begin to match those seen as the decade closed.

One mega-deal in particular – the £13bn assault by Sir James Goldsmith's Hoylake consortium on BAT Industries – distorts any league table of advisers. For example, the top seven places in the M&A table go exclusively to investment banks involved with that transaction.

This is slightly unfair. Statistics drawn up by Extel Financial for all deals and defences involving a UK target company *but excluding Hoylake/BAT*, keeps Warburg and Lazard Brothers in first and second place, but after that the list changes significantly. Kleinwort Benson, Schroders and Morgan Grenfell take the next three places.

In fact, given the furore over BAT, it is easy to forget that six other deals also exceeded £1bn, including the £4.7bn Beecham/SmithKline merger as well as the Hanson/Gold Fields, Isosceles/Gateway, GEC-Siemens/Plessey, Ford/Jaguar and AMP/Pearl bids. Moreover, the total value of announced bids, again on Extel figures, was a staggering £85bn, while completed transactions reached £49bn. In a cake of this size, there was plenty of scope for healthy fee levels without commanding the lead positions.

Whichever way the figures are worked, the poll positions of Warburg and Lazard Brothers are undeniable. That picture, moreover, has continued in the deal-depressed Nineties; in the first three months of this year, Lazards ousted Warburg from the number one slot but, with transaction values of £2bn and £1.2bn respectively (covering quoted and private companies plus UK subsidiaries), both were ahead of the nearest rival, Barings.

The rise of Lazards during 1989 was arguably the more marked development. The bank ranked only sixth in the previous year and its pre-eminence in 1989 owed something to a blue-chip and well-established client list. Lazards was involved in three of the mega-bids – for BAT, Gateway, Plessey – and *it is notable that in* each case, it was on the defending side.

Warburg, meanwhile, moved remorselessly but less dramatically from third place in 1988 to the number one slot last year. The benefits – or, critics suggest, dangers – of its integrated approach were exemplified most clearly *in the Isosceles/Gateway* transaction. Warburg acted as adviser on the transaction; its banking division co-ordinated the debt funding; and its fund management arm, Mercury Asset Management, was a key member of the bidding consortium. The overall value of this one transaction became clear when Warburg's profits were published; total fees from the Gateway deal were close to £25m, helping the bank to a record £187m pre-tax in 1989/90.

It is also no coincidence that Warburg's top-ranking position was achieved on the highest number of deals – around 10 *per cent more than Lazards* in terms of bids for UK companies, almost 30 per cent more if British bids abroad are also added in. Nothing attracts like success in the bid world, and the bank has certainly not been loth to expand its client base.

That, too, has brought both pluses and minuses. On the one hand, Warburg has been one of the more innovative institutions in terms of deal structures, financial instruments such as the recent convertible capital bonds, and so on. On the other, it has suffered a fair share of subsequent acquisition-led casulties – Coloroll, *for example*, or Cray Electronics.

Arguments over the merits of integrated houses, with all their inherent conflicts of interest, will no doubt continue. However, with the exception of Warburg, 1989 was not a vintage year for the breed. Kleinwort Benson remains a serious player, *notching up the innovative* SmithKline Beecham deal and a commendable victory in the Boots/Ward White battle. However, its defence of the Pearl won few plaudits and it subsequently lost two of its "stars" to BZW at the end of the year.

Among the clearing bank groups, BZW just about held its league table position (once the Hoylake effect is stripped out) but, given its formidable broking/market-making capacity, a place well outside the top 10 on corporate finance is scarcely a triumph. County continued to suffer from the Blue Arrow affair fall-out, fading from the top 20 altogether while Hill Samuel, despite a somewhat stronger showing in deals below the £100m-mark, has never featured prominently since the ructions and departures of 1987.

Only at Midland did the corporate finance arm, Samuel Montagu, continue to draw on the banking muscle to good effect – exemplified in the *WPP/Ogilvy* deal. Newgateway's abortive entry into the Gateway battle and Anglo United's successful assault on Coalite.

Meanwhile, the tochold gained by US competitors within the UK bid arena saw relatively little expansion last year. "There's only one-and-a-*half players worth bothering* with," remarks one indigenous banker airily, a sentiment many others echo in more moderate tones.

Over-simplication or not, no one could dispute that Goldman Sachs has been notably more successful than its compatriots in breaking into this *market, while Morgan Stanley* wins fairly frequent mention for its predominently cross-border role. Wasserstein Perella, the aggressive US boutique, has now set up shop in London but – aside from the Gateway foray – has not featured strongly so far.

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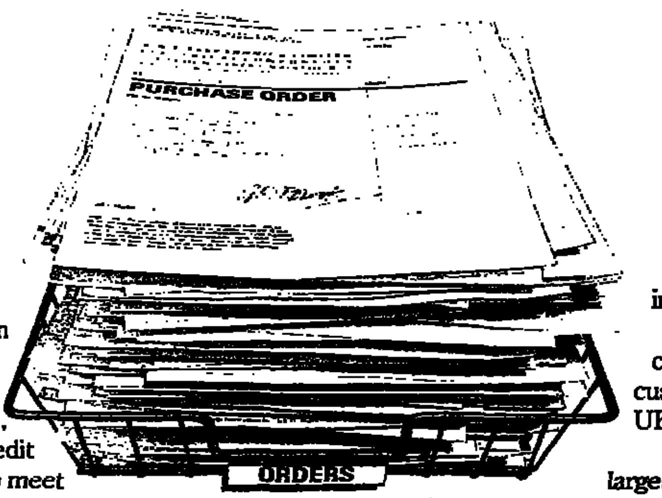

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Profiles of four investment banks and their European strategies — one American, one British, one French and a boutique

HAMBRO MAGAN

BOUTIQUES?"sniffed one senior investment banker.

"That game is largely over." It is an attitude which Hambro Magan, the highest-profile boutique operation in the UK, is anxious to prove wrong. With all the sales technique that is usually expended on wooing *clients and cajoling opponents*, this two-year-old venture *insists* that life has been busier than it expected.

The company has certainly made a mark on the UK takeover scene since its formation in early 1988. The business was set up by George Magan, a former director of Morgan Grenfell, in conjunction with Rupert and James Hambro, who had broken away from Hambros Bank two years earlier. The fourth member of the initial team was Mr Alton Irby III, a former Sedgwick director.

Today, the staff numbers two dozen; a link has been forged with New York-based Blackstone Group; and the operation is housed in an elegant, if rather homely, townhouse by St James's Park.

Life did not begin on a particularly auspicious note. A stout defence of oil group Carless against Kelt Energy failed. Salt was then rubbed into the wound when the bidder's sale of the downstream businesses left it with upstream assets valued at more than £160m for net outlay of £70m.

Since then, however, Hambro Magan's name has cropped up in happier circumstances with a fair degree of regularity – for example, in the defence of Boase Massimi Pollitt and its eventual acquisition by US-based Omnicom, in the Allders buy-out from Hanson and in the Hartwell-Jameel bid battle.

Perhaps most striking is Hambro Magan's role in some of Britain's biggest deals, a sharp contrast to virtually any other boutique operation set up in the takeover boom. There was the advice given to Deutsche Bank *over its purchase of* Morgan Grenfell, for example, and to Jaguar during the Ford negotiations. Hambro Magan was *also one of three advisers* acting for KKR, when the US buy-out *specialists toyed with* the idea of entering the £2bn Gateway battle.

George Magan makes no secret of the generalist approach; "We're not focused on any industry or type of assistance – not just buy-outs, for example," he says. "And we've no hang-ups about hostile bids, unlike some of the Americans."

As for the merits of boutiques generally, he *asserts* these allow clients to buy a specific *personal service, without* the worries of conflicting *interests* or the pressures of cross-selling.

Not surprisingly, in the dog-eat-dog world of investment banking, some competitors are keen to carp. The critics allege that business is still highly dependent on the contacts of Mr Magan himself – although a glimpse at the deal list suggests that this is only partially true – and that resources are inevitably lean.

The latter point is probably more valid. Even Hambro Magan *concedes* life *became* fairly frantic last summer when a number of big *deals* coincided. In staffing terms, there are still plans to expand the business a little further.

However, George Magan is quick to argue that, with the exception of Warburg and Schroders, few banks have more than "30 to 40 really good professionals" on their staff, although he acknowledges that will be a cushion of back-up specialists in tax areas and the like. The strains, he protests, "are a fact of life in this business – it's no more arduous than in a major investment bank."

The Blackstone link, meanwhile, was only set up two months ago and it is too early to assess its effectiveness. The alliance comprises a formal agreement, under which both players agree to employ each other's services if business crops up in the US or UK respectively. Exception would be made only if there was a strong existing client relationship with a third party adviser.

In theory, it is a model which George Magan believes can be repeated in Europe and, perhaps, *in Japan. But he* admits reality is often more difficult.

In one respect, at least, the *UK group may move even* closer to the typical US "boutique" pattern. Some thought, concedes Mr Magan, is being given *to the raising of* an in-house equity/mezzanine *fund, possibly with a European* orientation. "That's something where *the Blackstone* relationship may help," he says, suggesting that clients of the US boutique might be offered a participation.

Nikki Tait

BANQUE INDOSUEZ

UNTIL last October, Banque *Indosuez had seemed* to be the quiet cousin in the Suez family: *a financial group* that had emerged from a sleepy period under state control to a dramatic three-year period in which it accomplished its privatisation, the acquisition of Société Générale de Belgique in a ferocious battle with Mr Carlo de Benedetti, and finally the FFr27bn takeover of the Victoire insurance group.

Indosuez, the wholly-owned merchant banking subsidiary of the Suez group, *had taken* the lead in engineering these three operations, and had at the same time not neglected its *own expansion* with a series of acquisitions, much smaller but strategically *important to the* group, in the broking and financial services fields.

But it was Indosuez's emergence as the new principal shareholder in Morgan Grenfell, the once prestigious British merchant bank, that put it *in the limelight. Indosuez* took its stake in Morgan Grenfell to nearly 25 per cent by *paying* £137m for the shares previously held by insurance brokers Willis Faber, and Mr Antoine Jeancourt-Galignani, its chairman, wrote to his opposite number at Morgan Grenfell offering a partnership.

Morgan Grenfell instantly ran in search of a white knight, and ended up selling out not to the French bank, but to Deutsche Bank, the leading West German group.

The failure of the Morgan *Grenfell approach* does not exactly leave Indosuez, which *boosted net profits last year to* FFr1.03bn, weak and defenceless *in the battle for Europe's* merchant banking market in *the years to come.*

Mr Jeancourt-Galignani has *built up the group's financial* market activities, principally around W.I.Carr, its UK and Far Eastern stockbroking subsidiary, Cheuvreux de Virieu, one of the leading Paris equity *brokers, and Carr Futures*, in the European and North American *futures markets*.

Indosuez has also developed a leading position in project finance; it has, for instance, been joint lead manager for the financing of Eurotunnel and Eurodisneyland.

In asset management, Indosuez recently completed its panoply with the acquisition for £155m of Gartmore, the UK fund manager – an acquisition partly funded by the profit it made on selling its Morgan Grenfell stake to Deutsche Bank, and which leaves it with some FFr140bn of funds under *management*.

In mergers and acquisitions, the bank's *specialised subsidiary* Financière Indosuez has a *strong position in France*, ranking second to Lazard with *FFr34bn of deals handled last* year and FFr26bn in 1988, according *to PF Publications*.

Mr Jeancourt-Galignani says it has also developed a respectable operation in London.

Nevertheless, on the international scale, corporate finance *still seems the weakest leg of* Indosuez's businesses.

"Gartmore settles our problems in asset management, so we do not need to make any further acquisitions in that sector. Will we do something in corporate finance? I do not know," Mr Jeancourt-Galignani said recently.

He still believes the philosophy behind his approach to Morgan Grenfell, of creating a leading European merchant bank to compete with the big US and Japanese investment banks in the years to come, *was correct. Though respectful* of Barclays' beginning with *BZW, and open-minded over* whether Deutsche Bank will work *well with Morgan* Grenfell, Mr Jeancourt-Galignani believes *there* will *always* be an advantage for specialists.

George Graham

GOLDMAN SACHS

THE ABRUPT and chill wind that has swept through Wall Street over the past year has left the strategies and profits of many investment banks in tatters. Goldman Sachs is one of the few to emerge with its reputation intact, even enhanced.

Goldman has long had a reputation as one of Wall Street's most smoothly-oiled and efficient machines, but as takeover fever swept the US in the 1980s, leading to more and more aggressive marketing of their services by investment banks, its ways came to seem distinctly conservative.

It had, for example, a long-standing policy (albeit one a little frayed at the edges) of not acting for a hostile bidder. It also had an aversion to some of the riskier financing techniques which lay behind the takeover boom. And it was slower than some houses to take the plunge into "merchant banking" – the investment of the firm's own money in corporate America.

This, however, did not stop Goldman retaining a large slice of the best US financial business throughout the 1980s, and as the 1990s sort Wall Street's goats from the sheep, seems to be firmly in the former camp.

All Wall Street may be suffering from thin market volume and a drying up of takeover business, but Goldman seems to be suffering less than most. As a private partership, it reveals little financial information, but Mr Robert Rubin, co-vice-chairman of its management committee, says that in the fiscal half year to May, it was ahead of 1989 on a profit and loss basis.

The bank remains one of the top global underwriters of debt and equity and at the top of the league of new issue underwriting. Its research team is one of the most highly rated in the business and it has built up one of the strongest presences in international M&A work.

Unlike many other banks it is not weighed down by those millstone legacies of the 1980s – large bridging loans or junk bond portfolios used by companies to finance bids which have now gone sour.

That said, Goldman's record is not perfect: it was, for example, a backer of the 1987 leveraged buy-out of Southland, the retailer which is now in financial difficulties.

The bank's distinctive nature and relative success stem from a combination of factors. One is that it is one of the very few houses left on Wall Street that is a partnership (with more than $2bn of equity) and Mr John Weinberg,the senior partner, says it wants to stay that way.

A partership, he says, means a "more intense watching of eggs in the basket".

A second factor is that Goldman's corporate culture lays great emphasis on teamwork rather than individual stars. "This industry is now so complex that to serve a client you have to have upwards of a dozen expertises," says Mr Weinberg. "No one individual can have all that, so you have to have teamwork."

At the same time, the atmosphere inside the bank is unstuffy. The offices of even senior executives have a collegiate air of creative chaos. People tend to kick off their shoes as they talk, or loosen a tie.

A third factor is Goldman's emphasis on the building up of strong relationships with clients. That again was a rather unfashionable line in the 1980s, when "transactional banking" was the buzzword – partnerships with clients established purely to execute a hot deal. But now other banks are beginning to proudly advertise themselves as "relationship oriented".

"We don't change people on accounts very often," says Mr Weinberg. "Companies like that."

The bank also has one of the lower staff turnover rates on Wall Street, which must be due in part to its recuitment process, designed to find good performers who can work within its strong team culture. Goldman hires some of the best graduates from the US business schools.

Goldman has recently made two significant new departures. One is a move two years ago into fund management. It recently broadened its scope here to encompass small investors for the first time, with a trust fund that has raised $400m. The second is a fund to invest some $500m – including $100m of its own – in distressed or bankrupt companies, with Goldman playing an active adviser role to managements.

The bankruptcy fund has raised eyebrows on Wall Street. Some critics say Goldman, known for shunning hostile takeovers, is straying from its turf.

That argument sounds like mere sour grapes from the bankruptcy specialists. A more telling criticism is the potential for conflicts of interest with clients who are creditors of the distressed companies in which the bank has invested. However, Goldman explicity acknowledges the problem in the fund's literature and says it will take action to avoid this.

Its most important move in the 1980s, was its movement from New York on to the global stage, where again its record is strong.

It was quick off the mark into international takeover work, and while UK rivals accuse its bankers of having more bluster than substance, it has executed impressive deals.

Martin Dickson

SCHRODERS

MERCHANT bankers are unusually coy about disclosing how much their corporate finance departments earn, and Schroders *is no exception*. Yet, along with S.G. Warburg, it *earns more from corporate* finance than any other leading *UK* merchant bank. *Its premier* rating, in a notoriously cyclical business, is reflected in the fact that its shares normally yield less than half those of Warburg, considered by many as the pre-eminent London merchant bank.

This has not always been so. The reputations of corporate finance firms can rise and fall with extraordinary rapidity, and Schroders went through a bad patch in the early 1980s. The group, which dates back to 1804, had become rather complacent, and began to lose clients as its reputation took a nosedive. It pulled itself together reasonably quickly, but the experience has not been forgotten. "We all learned that reputations are quite shortlived", says David Challen, who, along with Derek Netherton, runs Schroders' UK corporate finance team.

Schroders is unusual in that it is neither a niche player, like Lazards, nor is it trying to be a big integrated house like Warburg, BZW or Kleinwort Benson. However, corporate finance teams tend to thrive when the merchant bank has a good deal-maker in charge, and Schroders' chief executive, Win Bischoff, was until recently the group managing director in charge of corporate finance.

The pecking order in the various corporate finance league tables is forever changing, but generally Schroders tends to be found among the top three UK houses and it normally is on one side or the other of most of the big deals. Siemens/GEC bid for Plessey, British Aerospace's acquisition of Rover, the £2.6bn takeover of Rowntree, and BP's £2.5bn purchase of Britoil are among the more famous.

In 1986 it represented Hanson in its £2.7bn acquisition of Imperial and last year it found itself on the other side of the table when Hanson paid £3.5bn for one of its clients, Consolidated Gold Fields. It does not like to be tagged as a bank companies should turn to just when they face unwelcome takeovers. Nevertheless, its record in this area is second to none. Between 1986 and 1989, 11 out of the 18 companies Schroders defended retained their independence. Last year the tally was five out of six.

However, Schroders has not been immune to the marked *slowdown in corporate finance* business , particularly in the UK and the US. *In 1988 it was* involved in 175 transactions totalling $50bn. *Last year the* number of deals slipped to around 150 and the value fell. The group still enjoyed record revenues, but this was helped considerably by the £5.2bn privatisation of the UK water industry, where Schroders was the Government's lead adviser.

But privatisation work is erratic, margins are low, and although Schroders has been involved in deals such as this *year's £599m demerger of* Argos from BATs, and last *year's £393m flotation* of Hays, the issuing business remains *surprisingly slack. In common* with other UK merchant *banks, it is under pressure to* find new sources of business *for its 100-strong team of corporate* finance professionals.

One sign that Schroders is overhauling its dealmaking machinery is in Adam Broadbent's move to New York. He *recently took over* from Win Bischoff as group managing director of corporate finance, and has also become a managing director of Wertheim Schroder, the group's US affiliate. Schroders admits it is still experimenting, but it is a sign that it may be beginning to organise its corporate finance business on a global basis.

Japan is a market where it has had some success. Unlike some of its rivals, it has not felt it necessary to win business by joining forces with a local institution, although Mitsubishi Trust Bank, has recently bought a small stake in Wertheim Schroder.

"What gets you known in markets is doing transactions, and we are visibly doing the deals," says David Challen. He instances Nippon Seiko's £203m acquisition of United Precision Industries – the biggest Japanese takeover of a UK firm – to support Schroders' claim to be the leading adviser in Japan/Europe M&A work.

However, the flow of Japanese *deals has not been as* great as many expected, and *this year's sharp drop in the* Tokyo stock market has not *helped*. Consequently, it is Continental Europe which *holds the greatest potential for* Schroders' dealmakers.

William Hall

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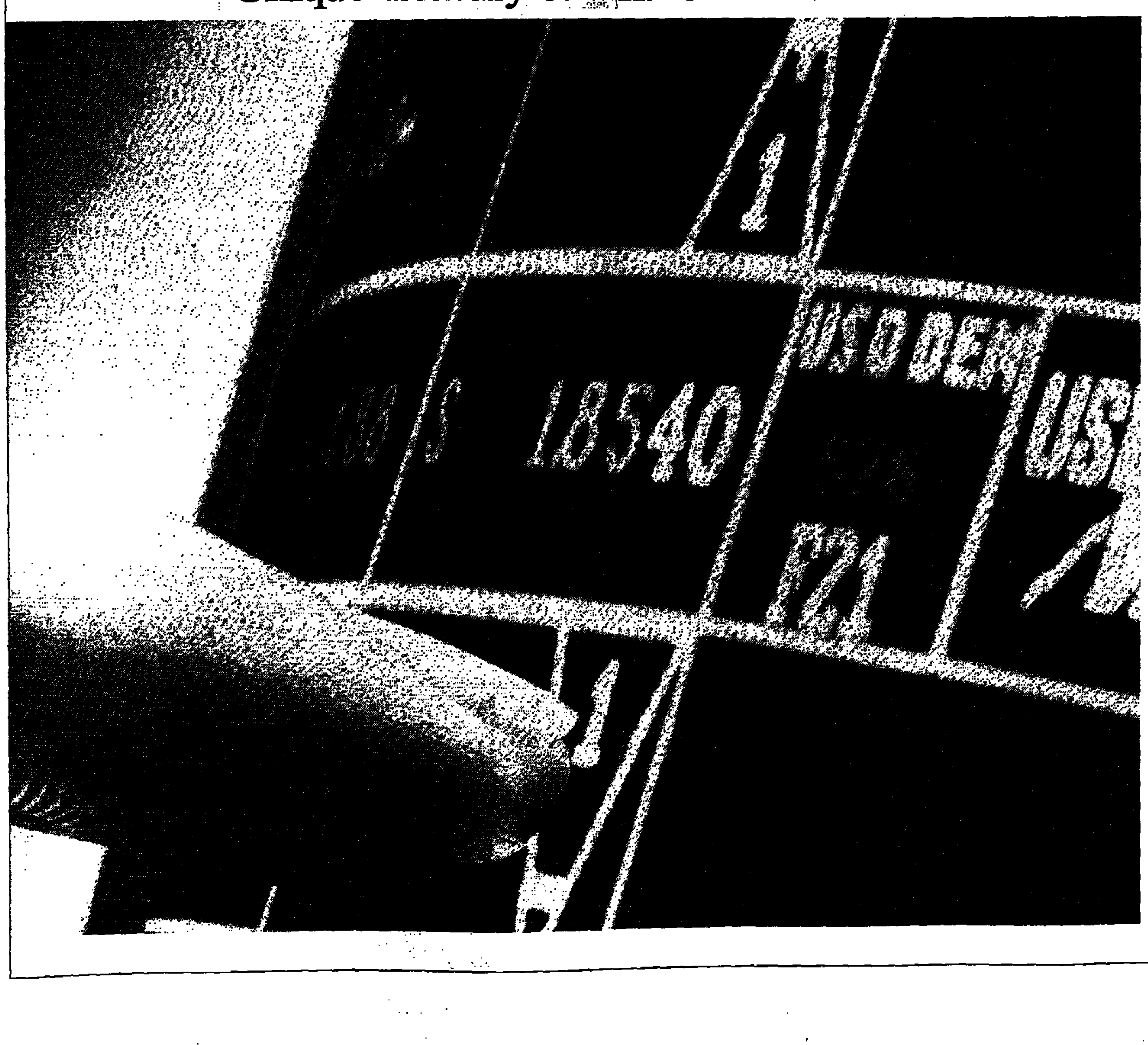

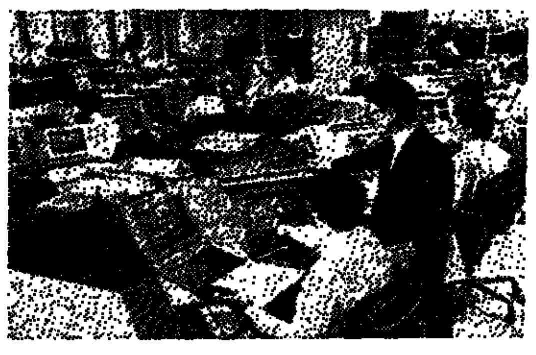

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Andrew Freeman discusses credit analysis

An overdue return to sanity

CREDIT analysis has long been the backbone of corporate debt finance, but in recent years it played a reduced role. Now, amid the sudden rash of corporate defaults and the apparent eclipse of the highly-leveraged market, it is making a comeback.

In the US, more than in Europe, what pushed credit analysis into the background was the extraordinary flourishing in the second half of the 1980s of leveraged debt financing. A tendency emerged for conservative credit committees to fall silent in the face of enthusiasm among more senior bank managers for deals which appeared to offer the prospect of easy, large returns.

That was fine so long as the market boomed. But as the rate of defaults in the US began to increase alarmingly, culminating in some highly-publicised and embarrassing failures, there was a perceptible trend towards both tighter credit and tighter credit analysis.

Although it would be an exaggeration to describe a severe world-wide credit crunch as a result of the downturn in spectacular credit growth that spawned the M&A boom in the US and UK and the share price and real estate booms in Japan, credit is now more carefully disbursed than at the height of the boom.

The move towards tighter credit analysis was led by the international credit-rating agencies, but spurred partly by the companies which pay their fees and wanted to differentiate themselves from the failing credits in the wider debt market.

For some banks, the resurgence of traditional credit analysis represented a long-overdue return to sanity. The more doubtful corporate finance departments had anyway refused to participate in some of the most highly-leveraged transactions.

But it took considerable courage to remain consistent in a market which imposed a high degree of performance pressure.

"We would look at the projected cashflows in, say, a management buy-out, and our own figures and assumptions would be totally different. It wasn't that we were being deliberately pessimistic, we were just being realistic," was the comment of one corporate finance officer.

That highlights another trend in the market – arranging banks had become used to having their assumptions largely taken as read. There was no wide tendency for invitees to question projections and bankers who did so were often given a rough ride by the arranger.

Banks are suddenly more willing to rock the boat. The availability of commercial software packages allowing very sophisticated credit analysis has eased the pain of number-crunching and allowed lenders to set their own objectives and limits more clearly.

"We knew there was no way we were comfortable going into the deal, but it still took some persuading to convince our managers that we shouldn't," said one banker who managed to avoid the controversial Magnet management buy-out in the UK.

Inevitably, greater concentration on credit analysis has given a new emphasis to the role of the debt-rating agencies.

Against a background of rising defaults and the deterioration in the creditworthiness of many lending banks, the agencies responded to greater pressure to make accurate and more timely judgements.

That they responded with alacrity is evident in the sheer volume of rating information now available. The five accredited US agencies – Standard & Poors, Moody's Investors Service, Fitch Investors Service, Duff & Phelps and Macarthy, Crisanti & Maffei – put out an enormous weight of publications alerting investors to an array of sectoral and international trends. In addition, specialist agencies like IBCA which reviews ratings of worldwide financial institutions, have found a growing audience for their wares.

Recently, however, the agencies have come under a pressure of their own. They have been accused of credit judgements that have an eye towards headlines rather than objectivity, despite their vigorous denials that this might be the case.

A good example was Moody's downgrading of RJR Nabisco pay-in-kind junk bonds in January, a decision which changed the attitude of investors to the entire junk bond market. RJR's debt was drastically affected, losing 20 points of value in two days.

Moody's was criticised for making a credit statement about the whole junk market that was perversely at odds with the credit outlook for RJR Nabisco, even though that single borrower dominated the market.

Critics said that the company's programme of asset sales was going better than expected and that its credit profile was actually improving. Moody's negative sign needlessly upset the market. In retrospect, however, Moody's has been vindicated, its downgrading marking a key psychological turning point in the perception of credit risk caused by the junk bond market.

The agencies received further adverse publicity when Moody's and Standard & Poors downgraded Citicorp, the US commercial bank, affecting some $30bn of debt securities. In this case, the fact that they reached different ratings and that Duff & Phelps maintained its AA- rating undermined the coherence of the moves.

Nevertheless, borrowers, particularly corporate borrowers, cannot tap the international capital markets without a credit rating from one or both of the leading international agencies. Indeed, the increased concern among lenders had led to the syndicated bank credits market becoming more like the international bond market.

The best credits can still achieve very competitive terms, but many second-tier borrowers have experienced difficulties raising funds. Lenders seem willing to take on conservative business from blue-chip companies, but corporate financiers in general are demonstrating an aversion to debt-reliant growth strategies.

The slower pace of hostile takeover activity is just one symptom of this phenomenon. In addition, the higher prices on leveraged buy-outs by specially-created companies appear not to hold the attractions of a few months ago. It seems that only exceptional circumstances will allow any of these deals to go ahead.

Stephen Fidler assesses senior debt and mezzanine finance

Sharp drop in appetite of international banks

THE APPETITE of international banks for senior debt in mergers and acquisitions has dropped considerably over the past year. Across a broad front, banks perceive higher risks in this type of lending than they did a year or two ago.

It remains possible to use debt in such transactions but banks now only seem willing to consider conservatively-financed transactions put together preferably by blue-chip companies. On both fronts, high-priced leveraged buy-outs by special purpose companies would appear to be acceptable only in exceptional circumstances.

For the best-known companies, however, it still remains possible to raise funds at highly-aggressive interest rate margins. The market for syndicated bank credits has become more like the bond markets: the best credits can almost name their own terms, while many second-tier borrowers have difficulty raising finance at any price.

The reason for this has been a widespread questioning by many banks of the reasons to lend to such borrowers. This has had an impact on many bank lenders in continental Europe as well as on Japanese banks.

Japanese banks face their own special constraints, born in part out of the tougher environment they face at home and in part because of their poor experience on many existing loans.

The weakness this year of the Japanese asset markets has reduced their banks' ability to raise cheap capital and raised worries about the quality of their assets – in the area, for example, of real estate lending. Write-offs of loans to lesser-developed countries has accentuated the pressure on capital.

All this reflects, if not a world-wide credit crunch, a reversal of the spectacular credit growth that spawned the M&A boom in the US and UK and the land and stock price boom in Japan.

Banks are reassessing credit strategies at a time when some companies are going into technical breach of their lending covenants

One element of this has been a growing awareness – reflected in the rise in long-term interest rates in most industrialised countries over the last year – that there is a worldwide shortage of savings and that the demand for these savings has – particularly with the emergence of eastern Europe – increased.

The reaction to what in retrospect was a period of excess has now set in, reflected in the demise of the US junk bond market and the sharp correction in the Tokyo stock market earlier this year, bringing about an increasing concern among lenders about credit quality.

That reaction is not only reflected in a growing unwillingness of banks to lend for transactions seen as speculative or highly-leveraged, but also a growing aversion for companies to risk their own future by taking on debt.

Although a handful of the main arranging banks have certainly lowered their profile in the corporate lending market, the real impact has followed from the change in behaviour of a lot of smaller banks. These banks provided the underpinning for many aggressively-priced deals in the 1980s.

Now some of these deals have hit credit problems, and the smaller banks are finding themselves too far down the pecking order to gain any business from the relationships with the corporate borrowers. This has hit the climate for general syndication of transactions.

It is not only in the M&A area that heightened caution among banks is becoming plain. Banks are reassessing credit strategies at a time when some companies, certainly in the UK, are going into technical breach of their lending covenants. These covenants, covering ratios such as debt to equity or interest cover to cash flow, can often be easily waived, but not if a bank decides it is an opportunity to withdraw from a syndicate.

This has thrown up some of the drawbacks of the syndication process – the need for unanimity among lenders. It has prompted some companies – for example RTZ – to arrange their own credits bilaterally with a large number of banks. In other examples, banks have swallowed an entire credit that previously would have been syndicated among a small group of banks in so-called club deals.

Given the reassessment of senior debt, it would be natural to assume that mezzanine debt – a layer of obligations ranking between the senior debt and equity – had fallen completely from favour. However, this is only partly true.

Certainly, the appetite from banks to commit large sums to mezzanine debt has shrunk considerably. Banks, though, are not the only providers on such loans. Specialist mezzanine funds and other lenders with balance sheets less leveraged than banks – for example, subsidiaries of Prudential Insurance of the US and General Electric Credit Corporation – remain as potential sources of such finance.

None the less, the amount of mezzanine debt that can be built into such transactions will be significantly below the peak reached in the Isosceles takeover of the Gateway supermarkets group, which incorporates £375m of mezzanine. The ill-starred leveraged buy-out of the Magnet group incorporated £190m of such debt. The emphasis in the UK, where the mezzanine market grew first and fastest, also seems to have switched more towards continental Europe amid the expected continuation of corporate restructurings as Europe moves towards the single market in 1992.

Deborah Hargreaves on derivative products

Europe's wariness eases

AS corporations overcome their long-standing wariness of the futures and options markets they are increasingly looking to derivatives as a way of improving turnover as well hedging risk. While companies have traditionally turned to derivatives to hedge currency risk, they are looking more and more at using the markets to protect them from changing interest rates and fluctuating commodity prices.

European companies have been more suspicious of using derivative products than their US counterparts. Corporate finance advisers attribute this reluctance to the relative youth of the treasurer function in Europe where finance directors have usually come from a financial accounting background rather than having treasury management experience.

In addition, US companies have long been familiar with a variety of different markets for raising funds from the short-term commercial paper market to medium-term notes and longer-maturing Treasury bonds. However, this is changing as European companies extend their use of different financing methods.

Mr Mark Sullivan, senior director at Continental Bank's risk management group in London, advises corporate clients on hedging with derivatives. He says European companies are much more sophisticated about using forward foreign exchange contracts and more recently, currency options, to manage their currency exposure while US corporations are more active in interest rate hedging.

Interest rate management is particularly important in today's environment where high interest rates are crippling many UK companies. High interest rates have encouraged many UK companies to start looking at hedging their risk with some fixed rate exposure gained through the swap market in the same way that US corporations have done for years.

The market for interest rate swaps is one of the most innovative financial instruments to be developed in recent years. It has grown from its modest beginnings at the start of the 1980s into a $1,900bn business today as its use has spread into the most conservative US companies.

UK companies are increasingly taking the view of their US counterparts by taking an overall look at their interest rate exposure in an effort to divide their risk between fixed and floating rates. They can do this by making a swap – usually with a bank – out of a floating interest rate on part of their debt into a fixed rate.

What the more sophisticated corporations are doing is to protect themselves from a further rise in interest rates as well as gaining some benefit from a fall in rates by using an innovative combination of derivative instruments.

This strategy is called a collar and involves buying a cap from a bank that would lock in a fixed rate of interest payment at 15.5 per cent – for example – so that if interest rates rise, the company would not pay a higher rate than 15.5 per cent. At the same time, it could sell a floor at 12 per cent. The sale of the floor would pay for buying the cap, but if interest rates were to fall below 12 per cent, the company would be stuck paying 12 per cent to the bank for the length of its swap.

Nevertheless, the collar described would be a way of limiting interest rate exposure so that a company never paid a rate higher than 15.5 per cent and never one lower than 12 per cent – for the life of the swap. In essence, the swap market gives companies a chance of betting on which way interest rates may move.

European companies have made a lot more use of the opportunities available for hedging their currency risk since they have been more exposed to the fluctuating exchange rates of different currencies. This is a procedure that US companies are just beginning to learn.

In Continental Bank's Journal of Applied Corporate Finance, Merck & Co, the world's largest pharmaceuticals company which is based in the US, describes its moves to hedge currency exposure in the approximately 40 currencies in which it receives its revenues.

The company found that the need to hedge against exchange rate volatility was pressing since 52 per cent of its sales come from overseas with nearly half of its assets located outside the US. In the absence of a hedge against its exposure, Merck was finding exchange rate fluctuations were affecting its ability to carry out its strategic plan which involved continuous expenditure on research and development.

In the end, the company decided to use currency options rather than forward contracts, foreign currency debt and currency swaps since options gave it the chance to benefit from a weaker as well as a stronger dollar. Merck developed a computer plan for managing currency exposure that involved a partial hedge for several years using long-term options to protect cash flow.

Merck decided to use a fairly straightforward currency hedge which will act as a kind of insurance policy against wild exchange rate fluctuations.

Commodity hedges is an area which has been growing in popularity and accessibility in the past six months as smaller companies have looked to cut their risk which they would previously have done nothing about. Mr Sullivan at Continental Bank says the bank is now offering over-the-counter hedges which provide long-term protection from changing commodity prices.

Mr Sullivan says that many UK companies have traditionally thought of hedging as a way of "getting it right or getting it wrong", when they look back at their past action in the markets. However, he says, the process should be thought through a lot more carefully than that, since timing is the most important part of a hedging decision.

But, aside from long-term hedging and risk management, several innovative companies have made a lot of money out of the options market when they are in the process of preparing a takeover bid. If a company is buying stock in the market in advance of making a bid, it can supplement its income by writing as many put options – options to sell the stock – as it can, as long as it fixes a price below the bid price. This means it can add the payment it receives for the premiums on the options it sells to offset part of the cost of a takeover bid.

However, there is a drawback in using the options market too widely in this respect since this sort of activity in options is tantamount to declaring an intention to make a bid.

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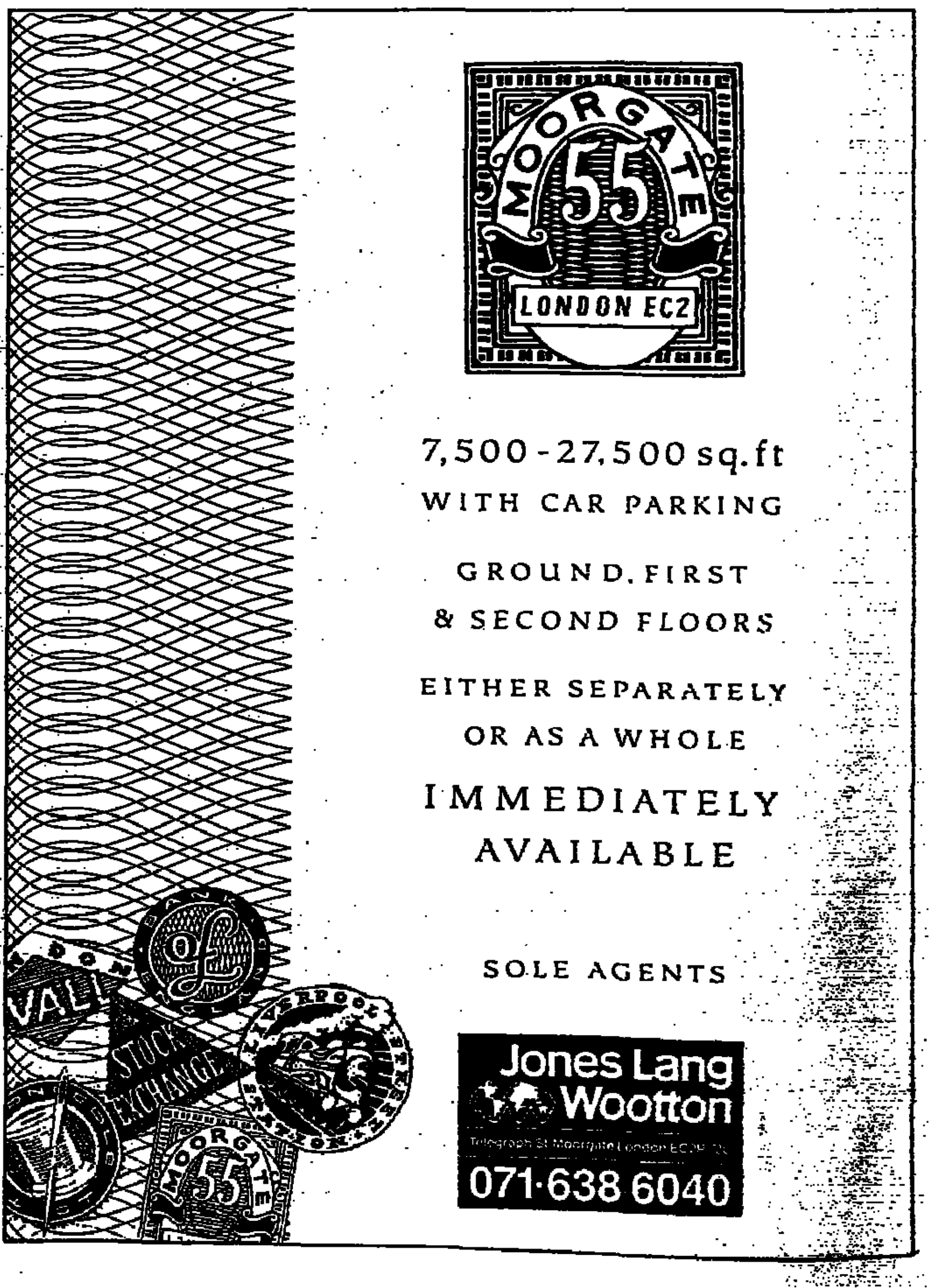
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Janet Bush on the outlook for junk bonds

Only the very brave or foolhardy will invest again

THERE is virtually no sign that the high-yield junk bond *market has* begun to recover from the succession of catastrophic bouts of selling over the past nine months and there are numerous reasons which suggest that it will be a *long* time until it does.

Since its peak value of an estimated $220bn, the junk bond market has shrunk dramatically. It is extremely difficult to get accurate values for the market now, partly because many issues are illiquid and have seen virtually no trading since the market first collapsed last September, but estimates suggest that it is now worth only *between* $120bn and $160bn.

New issuance of *junk bonds* in the public market has *slowed down to a trickle.* According to figures provided by *Securities Data Co*, only four new junk issues have come to market with a total value of $382m compared with 46 issues totalling $11.35bn in the same period last year.

While there has been a great deal of talk about new, non-traditional junk buyers coming into the market, this has been small-scale and nowhere near enough to counteract *the continued* selling by thrifts, insurance companies and *mutual* funds.

About the *only* area where any activity has surfaced has been in the private placement market, once the traditional place to raise mezzanine financing for leveraged buy-outs and to raise funds for emerging, speculative companies who were not readily acceptable credits in public bond markets.

Most of the activity seen so far in the *private placement* market has involved the refi*nancing of bridge loans. It has* been virtually impossible to convert *these* temporary loans into permanent financing through the issue of junk bonds in the public market but some relatively small issues are now being done in the private placement market. One recent example was a $300m junk offering for Caldor, the largest high-yield issue to be done in the private market this year.

The advantage of the private *placement market is that deals* can be negotiated directly with investors and structured spe*cifically to* their requirements. However, according to one investment bank specialising in the private placement market, it is very rare to sell a junk bond issue without the inducement or protection of a slice of equity and investors are extremely selective. The private market is averse to doing complex structures and some of the wilder forms of junk bonds such as Pay-in-Kind bonds which pay interest in more paper rather than cash.

While there has been a great deal of talk about new, non-traditional junk buyers coming into the market, this has been small-scale and nowhere near enough to counteract the continued selling by thrifts, insurance *companies and mutual funds*

The public market is still severely depressed and faces numerous obstacles to even a partial recovery.

"The public market will *make some people some money* from trading but I don't see any new public junk in the foreseeable future," said Mr Neil Powell, president of corporate finance boutique Shea Paschall & Powell.

"Some well-intentioned, well-structured deals which should be done won't be because the public market is too closely associated with the excesses of the 1980s. The private market will pick the *ones* it wants to do."

The only substantial source of buying comes from corporate junk issuers themselves who are in the process of "deleveraging" by buying back their own junk debt at current depressed prices.

However, this does not bode well *for the market* because some of the highest quality *issues* are being taken out of the public arena, leaving a rump of only the most speculative and in many cases troubled junk. Only companies which have a relatively healthy cash flow can afford to embark on these *buy-back programmes.*

The *leading*, traditional buyers of junk bonds are out of the picture. *Thrifts*, the most enthusiastic members of Mr Michael Milken's Drexel Burnham Lambert junk bond-buying network, have been mandated to dump all their holdings by 1994. This means that there will be steady selling pressure.

The Resolution Trust Corp, set up to take control of troubled thrifts, is already the largest single holder of junk bonds in the US with an estimated $3.7bn portfolio, a substantial supply overhang which is likely to get substantially larger.

There is now a cloud hanging over insurance companies, the other main class of former junk bond *buyers. Unlike* thrifts, most insurers have *escaped having to value* their junk portfolios to current market prices which means that deeply-discounted holdings have not affected their capital position as gravely as with many thrifts.

However, the National Association of Insurance Commissioners is taking steps to tighten up the rules. Last month, the Association came up with a new system for rating bonds which is likely *to* mean that insurance compa*nies have to raise their* reserves. This could be extremely damaging from some companies with very *large*, deeply depressed junk bond holdings.

On top of this dearth of buyers is the prospect of many *more defaults of companies* who cannot pay the interest on their piles of junk debt. Defaults are expected to far exceed previous records and 1990 is likely to see more and more distressed junk in the market.

In the days before Drexel *Burnham Lambert collapsed*, companies could buy time by *arranging exchange offers in* which bondholders were persuaded to accept less attractive terms on their paper to avoid default or bankruptcy.

But a court ruling in January means that exchange offers are probably a thing of the past. The judge said that bondholders who had agreed to a swap would only recover the lower value of the securities they received if the company filed for bankruptcy. Without the buffer of the exchange offer, companies who cannot pay their interest will quickly resort to the protection of the bankruptcy court.

At the most fundamental level, the junk bond market is *likely to suffer for a long time* from the backlash against debt-financed hostile takeovers. Commercial banks burdened with troubled loans for highly-leveraged transactions have become much more cautious about lending for this purpose so interim financing will be much more difficult to come by.

Investors, promised stellar yields which far outweighed their risk, have been badly burned and only the very brav*est – or foolhardy – will* invest in junk again.

Deborah Hargreaves looks at the international equity market

Growth expected in Europe

"WE SPEND some time *debating whether* we have a global equity market or a lot of *domestic markets working* together and becoming more international in their outlook," says Mr Michael Watson, executive director for equity new issues at Daiwa in London, "I suspect it's the latter."

The nascent international equity market has faced a *tough time amid the turbulent* stock market activity so far this year. Truly global stock issues have been few and far between and the pricing and size of international issues are still controlled by conditions in the domestic market.

The international equity market grew on the back of the bull market in the early 1980s when a variety of companies with overseas ambitions saw it as a quick way to raise cash. In the euphoria that dominated *stock markets* ahead of the 1987 crash, foreign investors *would buy virtually anything.*

The market was brought up sharply by Black Monday when investors around the world shed their international holdings as quickly as they could. In the chastened climate that followed the crash, new issues of international equities dropped from $8.8bn in the third quarter of 1987 to $1.3bn in the fourth, according to the Bank of England.

The stock market crash heralded a difficult period for international equity offerings and activity was depressed *throughout the following year.* The market did not begin to *show signs of a pick-up until* last year when the primary market reached a *level of* $14.9bn – although this was still below the 1987 level.

A review in the Bank of England quarterly bulletin suggests the crash did not reverse a long-term trend towards *international* portfolio diversification and increased issues of *international equity*. While this remains the case, companies are much more interested in making international equity placements when their own stock markets are buoyant.

The fact that stock markets around the *world rose for most* of last year was a key reason *for the improvement in the* international equity market, the Bank of England points out. At the same time, the increase in the number of privatisations last year boosted international equity issuance.

The recovery in the new issue market has been slowed by the volatility that has affected world stock markets – particularly Japan – in the first half of this year. Japanese investors were keen enough to buy anything European while their own market was healthy – manifested by their passion *for single country funds – but* bailed out amid the uncertainty in Tokyo early *this* year.

The early part of this year has been characterised by a steady flow of medium-sized issues out of the US where companies have been more leveraged through the 1980s and are more prepared to issue equity at prevailing prices that companies in other parts of the world may feel are too low.

But there are signs that European companies are again looking at issuing equity on the international market. The *issue of 4m B shares* by Atlas Copco, the Swedish heavy *equipment maker, in late May* continued the interest felt by *Scandinavian companies* in overseas share placements. Kvaerner, the Norwegian mechanical engineering firm, raised NKr1bn earlier in the year and Huhtemaki, the Finnish confectionery and pharmaceuticals firm is considering an offer.

Atlas Copco which raised £125m with its offering, placed 20-25 per cent of the shares in the US as the first placement of equity in the newly-liberalised professional market created by the Securities and *Exchange Commission* with its rule 144a amendments. The pri*vate placement rules make it* much easier for medium-sized European companies to include the US as part of an international share offering since they will not have to adhere to the onerous SEC registration requirements.

A similar development took place in Japan when Daiwa pioneered the concept of a Public offering without a listing (Powl) in a bid to sell UK water shares in the country. Before Tokyo's recent bout of severe volatility, *Japanese brokerage* houses saw a lot of interest *among small to medium-sized* European companies – those *that were not interested in the* visibility of a Tokyo listing – in making a Powl.

So far four Powl issues have been made: Coastal Corp, the US oil explorer, raised $86m in October last year which was followed by the privatisation of the UK water companies which raised $380m. In December, Polygram, the record company, part-owned by Philips of the Netherlands, placed stock worth FL189m and Maxwell Communications raised £70m.

The difficulties for an issuer in taking one of these less visi*ble placement routes* is that the shares may flow back fairly *swiftly* to the home market. This would negate one of the prime aims of making an international offering which is a bid to broaden a companies' investor base.

Flowback has always been a problem for companies considering an international equity *placement and it highlights* the need to make adequate preparations *for a share offering.* In today's chastened climate, the easiest shares to sell are those that have a story attached to them and are easily understood in the country where they are being placed. Companies plan*ning an offering* are advised to put a lot of effort into roadshows and *marketing in a bid* to make themselves known abroad.

At the same time, the more difficult market conditions have encouraged underwriters to change the way they structure syndication of international equity issues. In the past, flexible syndication methods meant that underwriters could sell their shares anywhere, allowing equities to *flow where* demand was greatest. This resulted in many *shares ending up with large* institutional investors in London.

Increasingly, placements are based on the "*ring fence*" method whereby the lead manager of an issue organises a syndicate for each region or market in which shares are to be sold. This gives the lead manager more control over placement since syndicate members are not allowed to sell their allocation of shares outside the country or area alloted to them.

Although the international equity market faced some difficulties early this year, there is *no reason to write it off.* In fact, it is likely to experience *strong growth in Europe in the* run-up to the single market in *1992* although the strength of the international market will continue to be tied to buoyancy in domestic markets.

VENTURE CAPITAL INDUSTRY

More money than it can usefully invest

FLUSH with funds raised before management buy-outs fell out of favour the British venture capital industry began *the* 1990s with more money than it could usefully invest.

British venture capital funds raised a record £1.7bn in 1989, *more than twice the amount* in any previous year. Much of this money had been committed by investors before rising interest rates and a downturn in consumer demand started to hit high-profile furniture and furnishings buy-outs such as MFI, Lowndes Queensway and Magnet in the middle of 1989.

There has been no slowdown in the volume of smaller, more-conservatively financed *buy-outs but the* larger, more speculative deals have been *killed off by the economic* slowdown. So, recent months *have seen the* venture capital industry casting round to find new outlets for its money.

Some funds have decided to increase their commitment to early-stage and start-up finance – though such deals are time-consuming and traditionally have absorbed only relatively small amounts of money. Britain's largest venture capital group, 3i, plans to increase start-up spending *from* £60m in 1989 to more than £100m this year.

Other venture capitalists have responded by backing ambitious start-ups in low or no-technology areas of business. Electra Kingsway arranged a £25m initial financing package for Perequito *Hotels* which was launched earlier this year with the aim of *establishing a chain* of 30 mid-scale hotels.

Others have turned to *financing* buy-ins – a derivative of the buy-out in which outside managers, rather than the incumbent management, take control. *Buy-ins* are more difficult to put together than buy-outs because managers *must* be recruited, sometimes from well-paid, secure jobs, and put *into* a company with which they are not familiar. If the *combination* works then the returns are usually higher than buy-outs *but the* risks of failure are greater.

Increasingly buy-ins are being seen not as an end in themselves but as the *first* stage in the creation of international networks of companies. Once the buy-in company has been shaken up, its managers will undertake acquisitions designed to broaden the company's range or give it a Europe-wide presence.

For example, James Neill Holdings, a Sheffield-based *tool-maker* over which MMG Patricof, a British venture capi*tal firm, acquired control* last year, has bought a West German company in *the first of a* planned series of European acquisitions.

At present venture capital statistics do not distinguish between buy-outs and buy-ins but in 1989 both types of deal accounted *for 61 per cent of the* value of all investments made by members *of the British* Venture Capital Association and for 25 per cent of deals *by* number. Both sets of figures represented an increase on *1988* when 56 per cent of funds and 21 per cent of deals by number involved buy-outs or buy-ins.

Recent months have seen the venture capital industry casting round to find outlets for its money

Start-ups and other early-stage investments by the association's 124 members also *increased* last year, accounting for 15 per cent of the sums *invested (10* per cent in 1988) and 39 per cent of deals by number (28 per *cent). With* early stage deals and buy-outs/buy-ins increasing *their share* of venture capital activity, this led to a contraction of the share of "expansion investments" from 31 per cent of *investments* by value to 22 per cent and from 47 per cent of deals by number to 35 per cent.

The continuing dominance of the industry's *statistics* by buy-outs and buy-ins partly reflects the growing impor*tance of* buy-ins as a distinct category. The 1989 figures also still reflect the *high levels of* buy-out activity in the early part of the year with the impact of the decline in the number of large buy-outs only showing through in 1990.

As part of their search for *new sources* of deals many venture capital funds in London and the *south-east of* England have increased their activity in other regions. Some have established local offices in the north and the Midlands while others have increased the scale of their investments in regionally-based funds. Most spectacular was the increase in activity in Scotland which accounted for 15 per cent of all investments by value last year compared with just 6 per cent *the year before.*

Even more important has been the increasing internationalisation of the UK funds, in both the sourcing of their finance and the targeting of their investments.

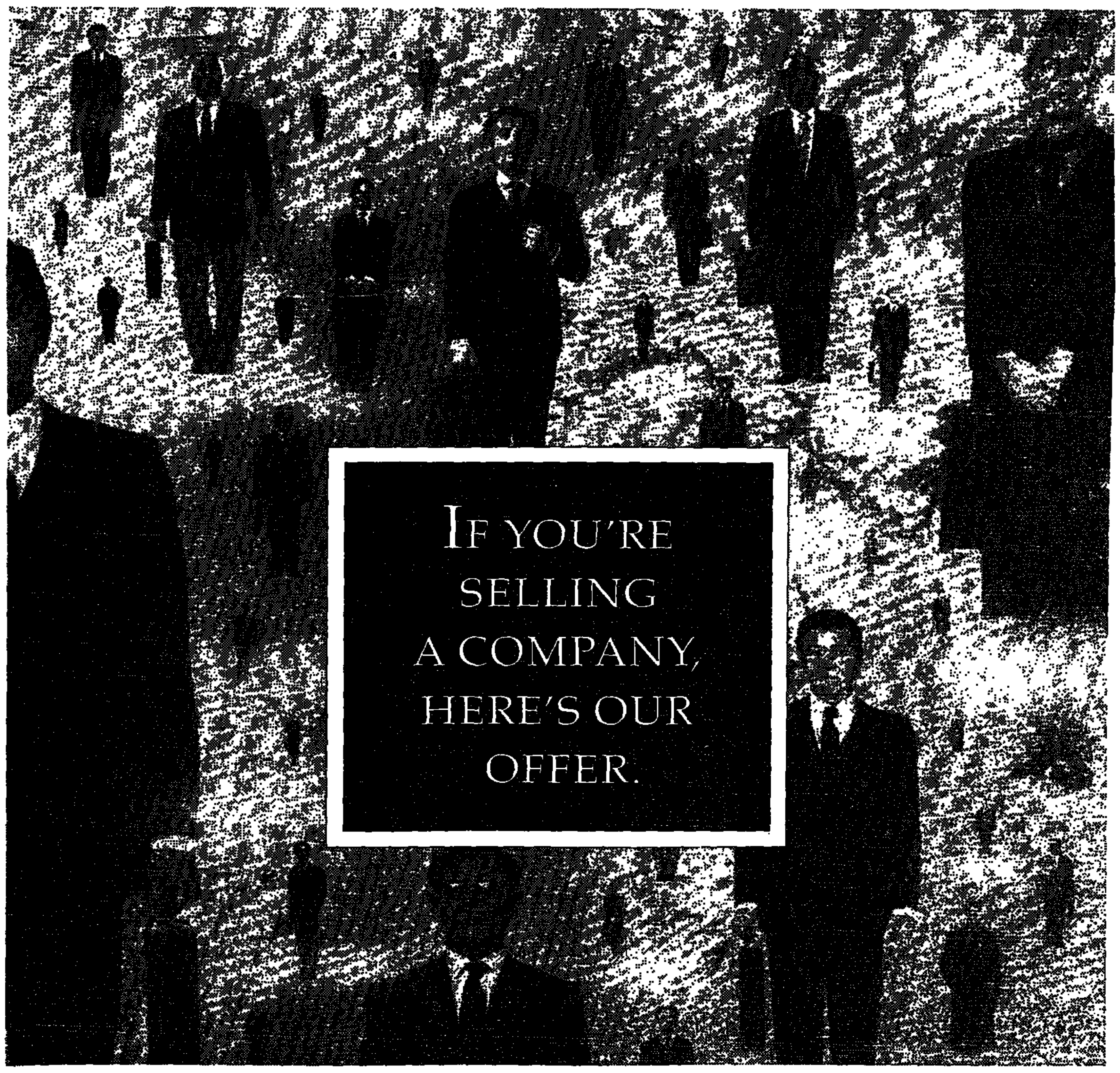
For example, Electra Investment Trust completed the raising of a £486m fund – known as Electra Private Equity Partners – in February. Other investors in this fund included Crédit Commercial de France, General Electric Pension Trust of the US and The Industrial Bank of Japan. This fund will *invest throughout Europe* in large-scale development capital *ventures*, *corporate restructurings*, privatisations, buy-outs and buy-ins.

Globe Investment Trust, *meanwhile*, *is attempting* to raise a Ecu 200m-300m (£150m-£200m) fund jointly with Cie Financière de Suez, a French financial group, and Mercapital, a Spanish investment bank, although Globe is fighting a hostile takeover bid.

Japan has proved a powerful magnet for UK-based funds despite the relative infancy of *venture capital* in *that country*. 3i announced in April that it had established a link with The Industrial Bank of Japan to form a venture capital company in Japan. In the same month Schroder Ventures completed the *raising of £27.5m* for its second Japanese venture *capital fund.*

The more entrepreneurial venture capitalists are responding to changing market conditions in a variety of ways. The less innovative funds may find it harder to diversify and continue to provide the returns expected by their investors. For those funds which are unable to re-define their role the answer may lie in mergers with more active partners or a quiet withdrawal from the venture capital scene.

Charles Batchelor



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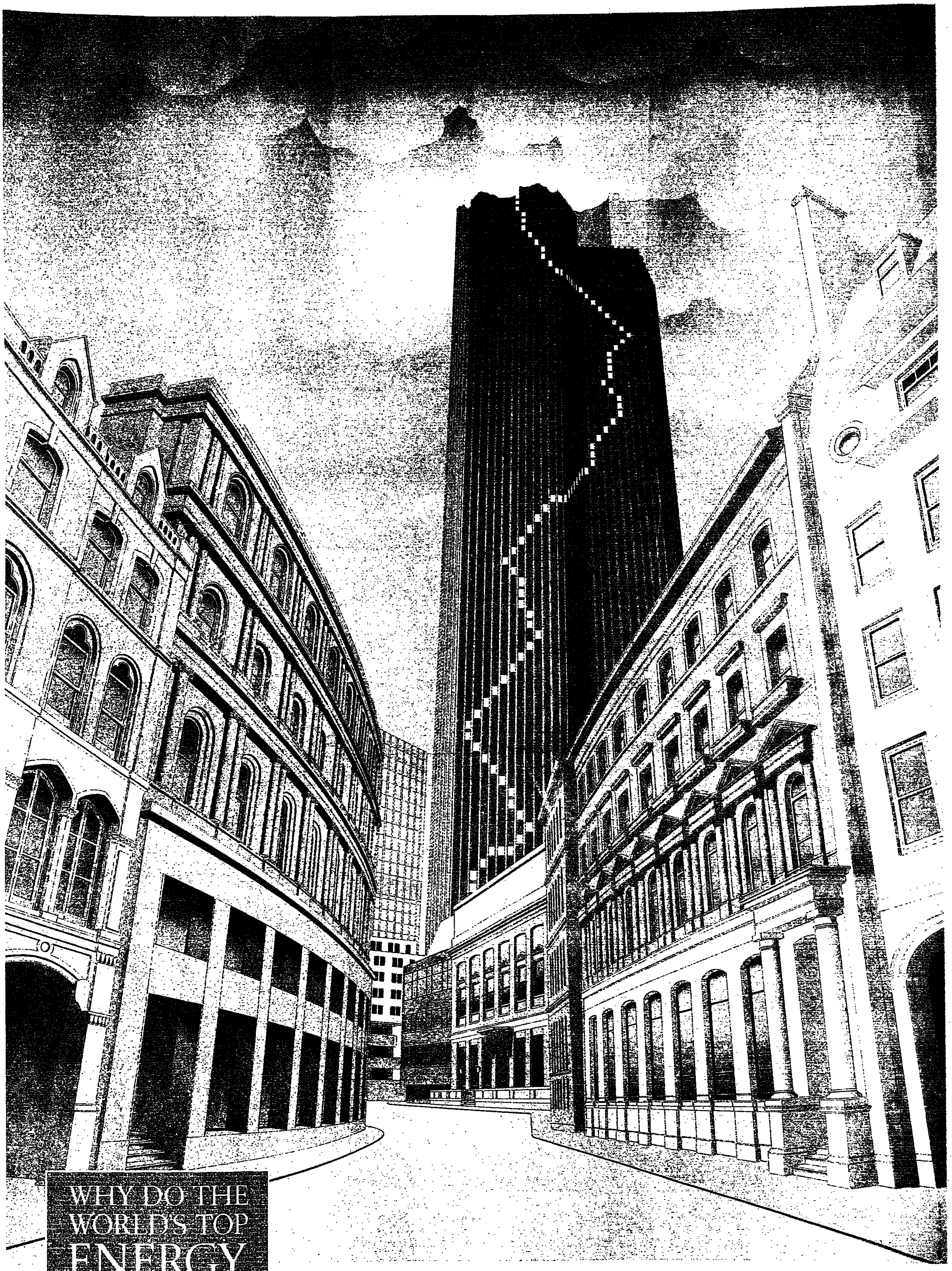

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BELGIUM

● The phone system starts to get a little nimbler Page 4

SECTION IV

Monday, June 18, 1990

The Grand Place, Brussels

As tensions between the country's two main language groups have eased, Belgium has enjoyed political stability in the past couple of years. But, writes **Tim Dickson**, worries about the burden of its unreformed public sector and high level of indebtedness persist

A new sense of stability

BELGIUM SHOULD perhaps be dubbed Europe's "lucky country."

Crossroads of the common market, host to the European Community's main political institutions, this nation of 10m inhabitants has attracted wealth and investment in the last few years out of all proportion to its modest size.

The original "lucky country" – Australia – became prosperous by digging minerals from the ground. Geography, not geology, is suddenly making the Belgian people enviably rich.

To suggest that there has not at the same time been individual effort and sacrifice would of course be ridiculous in the light of the impressive economic transformation and much improved international competitiveness which Belgium has achieved in the last decade.

Some sections of society, moreover, are missing out on the bonanza. Recent strikes in the public sector, notably by teachers in the French-speaking areas of Wallonia and Brussels, are a timely reminder that the fruits of success are not being evenly distributed.

Overall, however, Belgium seems to be blossoming and the "1992 effect" – lavish commercial and residential developments in Brussels are among its most visible manifestations – is playing an important part. Most of the main economic indicators are looking good, linguistic squabbles no longer dominate the political agenda, and even the embarrassing constitutional crisis over abortion which saw King Baudouin stepping off his throne for a day seems to have passed without serious repercussions.

Looking ahead, though, Belgium still faces a number of uncertainties: economic and political problems that have yet to be resolved.

● Can the huge burden of public debt accumulated in the 1970s and early 1980s – at between 120 and 130 per cent of GNP the country's biggest structural impediment – ever be cut to more normal levels?

● Is the country's bloated and inefficient public sector capable of reform in time to meet the competitive pressures of the single European market?

● And where is the path of federalism finally leading this culturally divided country?

Not the least of the changes wrought by the centre-left coalition of Mr Wilfried Martens – his eighth government in an almost unbroken run of 11 years at the top – is a marked "cooling" of community passions. Two years ago when the 54-year-old Prime Minister was sworn in, tensions between Flemish and Francophone were still running high, exacerbated by the unsettling antics of a village mayor.

Today no major linguistic disputes threaten the five-party coalition. Indeed, now that the controversial abortion legislation is safely out of the way – an issue which touched on Belgium's other "fault line", that between Catholics and non-Catholics – the present Government stands a good chance of surviving its full term until the end of next year.

This new sense of stability can be attributed largely to the state reforms introduced last year, which appear to have taken the sting out of Belgium's linguistic rivalries. Following on from the first tentative steps towards a decentralised political system in 1970 and 1980, a wide range of new competences and 40 per cent of the country's budget were attributed to the regional governments (and communities), with Brussels achieving the status of a proper region for the first time.

The process has transformed a unitary state which was always predominantly Francophone into a country whose distinct and increasingly assertive Flemish population can control its own destiny.

How much further decentralisation has to go is one of Belgium's big imponderables. No-one much expects the promised third stage of the current reforms to be completed until well after the next elections – but when it is finally tackled the issue may not just be what to do about the Senate but whether other competences (*eg* social security) should be handed over to the regions.

Federal Belgium will take natives as well as foreigners some years yet to fathom and to some it seems a wasteful extravagance. Against the costs of having an extra administrative tier in an already overbureaucratic country, however, the budget implications of regional responsibility should not be forgotten.

Before last year public spending tended to be swelled by the need to match investments in one part of the country with equivalent expenditure in the other. It is no accident that because Flanders and Wallonia must now look after themselves, the Flemish Government has finally closed the loss-making Kempen coalmines, while the Francophone Community (responsible for running education in Wallonia and much of Brussels) is currently taking a tougher line than previous education ministers would have done with the striking teachers.

The legacy of the spending needed to keep the peace between North and South can be seen today in a vast BF7,000bn pool of public debt – the major blot on Belgium's economic landscape.

Most of the other important economic indicators, by contrast, are encouraging, ending the decade in a better position than the relevant EC averages. GNP growth advanced more than 4 per cent in 1988 and 1989 – spurred by strong export demand, revived consumer spending and healthy levels of investment in housing by individuals and in fixed capital by enterprises.

Inflation remains well under control – though the rise from 1.2 per cent in 1988 to 3.1 per cent in 1989 caused some anxieties – while the current account surplus on the balance of payments according to the National Bank rose by BF20bn to BF150bn last year (more than 2 per cent of GNP).

Unemployment fell in 1989 when the private sector created 46,000 jobs, 5,000 of them in industry, but the rate remains high by international if not by EC standards. An International Monetary Fund report last month pointed to "structural weaknesses" in the labour market, and criticised "a deficiency in training efforts" and "the open-ended nature of unemployment compensation."

The biggest short-term challenge for Mr Martens is whether he and his ministers can find the BF70bn to BF80bn of public spending cuts required to keep the 1991 budget deficit below this year's target (a political commitment made when the Government was formed). Achieving this will be important for the financial markets, which still need assurances that Belgium is serious about melting away the dreaded "snowball effect" (the phenomenon whereby extra borrowings have to be raised simply to pay off the interest on existing debts).

Reaction to last month's announcement that the National Bank intends to reinforce its strong currency policy by more closely shadowing the D-Mark inside the European Monetary System has so far been positive – but any perceived weakness in next month's budget negotiations will risk undermining Belgium's hard-fought battle for credibility.

The debt problems – "We'll need 15 years of redressment – it's a terrible lesson," says Mr Martens – are not making preparations for 1992 any easier. This is most notable in the area of tax reform where some steps have been taken to ease the burden on companies and individuals but where the scope for manoeuvre is limited, especially with tax receipts rising more slowly than GNP.

Foreign companies and expatriates enjoy considerable privileges – but the result is that locals who do not join in the national sport of tax "avoision" bear the brunt.

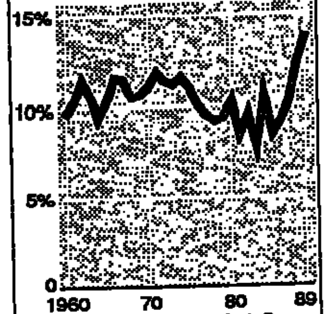
Belgium's public sector, meanwhile, is badly in need of a shake-up. It is getting it to some extent via legislation to make such public enterprises as the heavily criticised telephone monopoly more responsive to market pressures – but the feeling remains that public servants are too numerous and (particularly at the top) badly underpaid. This is a legacy of the late 1970s and the first half of the 1980s when the rise in public sector employment compensated for half the job losses in the private sector.

In a country where "social consensus" and "negotiated Socialism" are still alive – and where "privatisation" and "Thatcherism" are for most people dirty words – the prospect of root-and-branch reform looks slim. It is Belgium's luck that, while growth remains strong and Brussels remains the centre of things, it does not really matter.

IN THIS SURVEY

Business investment

As a % of domestic spending



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The economy is back on the rails, writes **Tim Dickson**

EMS move enhances BFr

SIGNALS FROM Belgium's National Bank that the franc is to be pegged more closely to the D-Mark puts an appropriate seal on eight years of economic recovery.

The message to international financial markets from this discreet but well-timed disclosure last month was that the "sick man of Europe" is firmly back on his feet.

It seems willing and able to run a strong monetary policy and look his Dutch and West German neighbours confidently in the eye.

Anchoring Belgium's economic and monetary policies to those of Bonn, via the narrow 2.25 band of the European Monetary System, has already helped shrink the inflation differential between the two countries from 4.5 percentage points at the end of 1982 to less than 1 percentage point last year.

It also narrowed the short term interest rate differential from more than 6 per cent in 1984 to an average 1.7 per cent in 1989.

By following the Dutch example, and keeping within a half-point margin of the strongest EMS currency, the hope in Brussels is that the "risk premium" which Belgium is forced to pay in short term interest rates can be further reduced in the medium term.

The country's public debt of BFr7,000bn explains why this is so important.

Running at more than 130 per cent of GNP, it is a burden far higher than any endured by Belgium's main international competitors.

A high proportion of this debt is in short term borrowings so that interest charges and Government finances are highly sensitive to movements in short term rates.

Not for the first time the annual budget negotiations in July will be a crucial test of the Government's credibility with the financial markets.

In order to stabilise public debt and reverse the "snowball effect" caused by new borrowings being used to pay interest on existing loans, the present coalition agreed to work within a double straitjacket when it came to power in mid-1988.

Firstly, public spending, with the exception of interest rates, was to be frozen in real terms. Secondly, the annual budget deficit was not to exceed the nominal budget deficit of the previous year.

Applying the first "norm" would mean a deficit of about BFr470bn. Conforming with the second will involve an additional cut of BFr70bn in spending so as not to exceed the BFr405bn target for 1990.

Wage costs in Belgium are generally in line with the country's leading competitors

How this can be achieved; whether the Government will be prepared to make genuine economies; and whether the banks will be required to make some concessions on rescheduling are the forerunning political questions in Belgium at the moment.

The third option is favoured by the Socialist parties in the coalition, although it is hardly calculated to help Belgium's credit rating.

Warnings have been sounded by the IMF, the OECD and in a recent bulletin from Générale de Banque that the 1991 budget negotiations will be difficult to resolve without touching the country's social security budget.

At BFr470bn, this amounts to about half Belgium's public spending before interest costs.

The other critical event looming on the horizon is the autumn wage round between the social partners, the outcome of which determines the "going rate" for real pay increases over the next two years. The inflation adjustment is automatically considered.

Fears of resurgent wage inflation, and the impact that might have on interest rates, have been reflected in warnings from Mr Alfons Verplaetse, the high-profile governor of the National Bank, that union demands above 2¼ per cent would be too high.

Analysts point out that a global wage accord effectively turns into a national minimum and that the overall cost of wage increases turns out higher as successful firms pay more. But apart from these worries, the economic outlook in Belgium remains positive.

Kredietbank's latest forecast is that real GNP growth will slow in 1990 to about 3.3 per cent after exceptional growth rates in 1988 and 1989 – of 4.2 per cent and 4.5 per cent respectively.

Increases in real disposable income, helped by growth in employment and tax reductions, has been reflected in increased private consumption.

Rising mortgage rates may dampen brisk activity in the construction sector, but corporate investment looks likely to remain the main economic engine this year.

Générale de Banque expects companies to increase investment by 11 per cent in real terms, giving a 1 per cent boost to employment numbers.

This indicator is one illustration of the big improvement in the supply side of the Belgian economy in the second half of the 1980s. Total investment, which fell from a peak of about one quarter of domestic spending in the mid-1960s to around 15 per cent in the early 1980s, has rapidly climbed in recent years with business investment, its most dynamic component, leading the way.

As a result, production capacities have been rebuilt after imbalances inspired by the two oil price shocks in the 1970s.

The investment boom, meanwhile, far from leading to a deterioration in the external position as has happened in some neighbouring countries, has contributed to a sharp improvement in the current account balance of payments to the point where this year it looks like comfortably exceeding BFr100bn – about 2.2 per cent of GNP – for the third successive year.

More controversially, business profits have rebounded at the relative expense of wages.

As a share of total income, wages peaked at almost 80 per cent in 1982 but since then have steadily declined to the point where they are not far from their level in the early 1960s: just over 70 per cent.

Companies' return on equity has benefited from the structural changes and, according to figures from the National Bank, stands at more than 10 per cent, after being negative at the start of the 1980s.

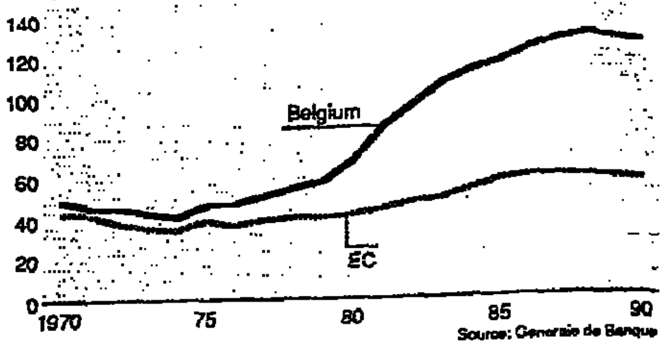
Wage costs in Belgium are now generally in line with the country's leading competitors, but the recent spate of strikes suggests that workers in the public sector at least feel the correction has now gone far enough. Mr Peter Praet, chief economist at Générale de Banque, points out that wage moderation in Belgium has helped contribute to increased employment.

Real wages, he explains, have risen at an annual rate of 1.9 per cent in the last two years, and employment by the equivalent of 100,000 new jobs, or 1.3 per cent.

Total real wage income has thus increased by 3.2 per cent so the difference between this and real GDP growth of 4.3 per cent can be considered as "the cyclical component of profits," he says.

Public debt

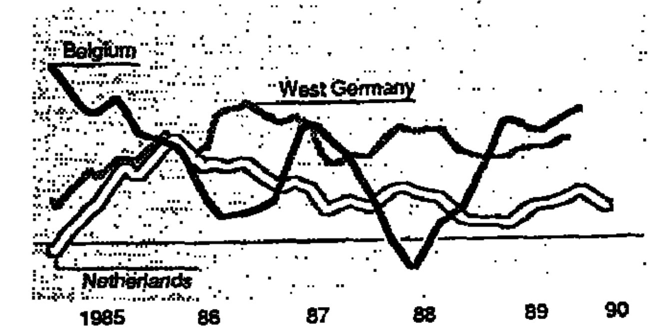
As a percenatge of GNP



Source: Generale de Banque

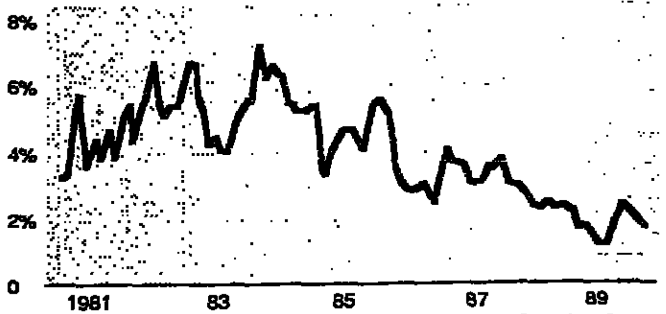
Hourly wage costs in industry

Annual percentage change



Short term interest rate differential

Between Belgium and West Germany



Source: Generale de Banque

PROFILE: Mr Luc De Brabandere, bourse managing director

Public sector gets private incentive

MR LUC De Brabandere is an unusual man with a unique new job. He has just become managing director of the Brussels stock exchange, which despite its advanced years and its 130 employees, has never before had a boss.

He sits in the middle of the grandiose old bourse, in an office that looks out onto the disused expanse of the old-fashioned trading floor, deserted since Brussels went electronic two years ago.

He will talk about trains, about family life, about the latest in computer technology, science and the environment, making up new words as he goes along.

His latest favourite is "co-opetition," a mixture of the co-operation and competition that he is trying to instil at the bourse.

The slightly surreal peace of his new surroundings belies the task that he is starting to tackle: the day-to-day management of Brussels' big bang.

On his plate at the moment are two political hot potatoes.

The first is how much power to wrestle away from brokers to open up to the banks.

The second is what sort of access outsiders should have to stock exchange prices information – at what speed and at what price. Within days of his arrival, both events erupted into noisy public rows, with brokers clamouring to protect their dominant positions, and the Belgian press and Reuters accusing the bourse of tactics designed to encourage insider trading.

Mr De Brabandere remains calm to all such attacks.

He understands why outsiders want more information, but explains that it is his job to represent the interest of the exchange. The information, he argues, belongs to the stock exchange, and has a clear value. If others want it, they will have to have to pay for it.

Mr De Brabandere's main task, however, is not to arbitrate in the disputes – which fall more at the door of the exchange chairman Mr Jean Peterbroeck – but to try and make the stock exchange work more efficiently.

Inefficiencies that greeted him at the bourse were obvious and, although he is too polite to openly say so, he admits it was a "step down" after working for 17 years running the back office at Générale de Banque. But he is optimistic about making changes, and is full of praise for the staff he has inherited. Tired of their rudderless existence, the employees are apparently delighted to see him.

"These people have lived without a boss for years, and they are happy to have someone to report to at last," he says.

The project he is working on has no name, but is designed to breath new life into Brussels as a financial centre. This, he says, is part of a more important programme to make Belgium great once again

He is not as complimentary about the Computer Assisted Trading system installed with a triumphant fanfare two years ago. "Look at this," he says, reaching for a book on French financial markets that he has been reading on the train on the way to work.

"The CATs system is built on technology developed in the 1960s, and while it will be okay for the next few years, we must start thinking now about what to replace it with."

Mr De Brabandere is trying to make the stock exchange into an efficient small business, that is conscious both of its costs and receptive to new ways of raising revenue.

Employees previously answered to a 15-member board, each responsible for a different aspect of the business. The aim is to make it more responsive.

In keeping with his unusual job, Mr De Brabandere himself is something of a one-off. He is a high-tech freak, author of various obscure scientific books, the latest of which, Le lateroscope, Systemes et Creativite, has found a large cult following.

He has also been head of Belgian Friends of the Earth, and has has been described by the Belgian press as "the iconoclast in the stock exchange."

Does he like such a tag? Mr Brabandere collapses in embarrassed giggles.

"Maybe. I'm a strange mixture. I believe in old values. Families. People. Talking."

Another oddity: despite his fascination for computers, he shuns the idea of having a computer or a screen in his office.

It is partly out of this high-minded spirit that he has arrived at the bourse at all.

The project he is working on, he says has no name, but is designed to breath new life into Brussels as a financial centre.

This, he says, is part of a more important programme to make Belgium great once again.

He argues that the kind of rut that the stock exchange has been stuck into is the same as that which effects the whole country.

Belgium, he says, has a problem with its image. The telephones do not work. The taxes are too high.

"Twenty years go we were one of the successful countries in Europe. Now we have more problems than the others."

The political will is there to do something about it, he says, but the real problem is to do something about the public sector, which remains hopelessly backward, hindered by the division of the country in two.

"I moved from the bank to the public sector because I believe in helping out. The problem in Belgium is a lack of skill in the public administration. In the next 10 years we must sort this out. It is not a choice. It's a must."

Lucy Kellaway

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Profile: Charles Picqué

A Brussels base

Charles Picqué: immense media exposure as chief minister of the Brussels region

RARELY does an aspiring politician step over the three recognised routes to the top in Belgian politics. The means are service in the cabinets or private offices of ministers; working in the bureaucracy of a political party; or being elected to Parliament and immersing oneself in the work of its committees.

These routes are not mutually exclusive. Most senior politicians have combined two or even three of them in their time. But Mr Charles Picqué, 41, is unique among present-day political leaders in having avoided all three.

He became the first directly-elected Chief Minister of the Brussels region last June. This gave him immense media exposure and catapulted him into greater prominence than all but the most senior ministers and party leaders. As a political base, it is comparable to Mr Jacques Chirac's position as mayor of Paris.

Mr Picqué is a French-speaking Socialist, but unlike the older generation of Francophone politicians, he also speaks good Dutch, so there would be no linguistic barrier to his rise to higher things.

"Next Prime Minister but two" is a tag he deprecates, but it is one which is gaining increasing credence.

Mr Picqué's parents are middle class, but they divorced when he was young, and he spent a lot of time with his maternal grandmother who came from a mining family in Liege.

Her stories of bitter class conflicts of earlier days greatly influenced the young Charles and were a major element in his political development.

After graduating in economics from the Catholic University of Louvain, he began an unlikely apprenticeship for a Socialist politician by entering the service of the royal household. In 1976 he was responsible for organising celebrations for the 25th anniversary of King Baudouin's reign.

He subsequently spent 10 years working for the King Baudouin Foundation, which is devoted to preserving Belgium's architectural heritage, and sundry other charitable works.

That did not preclude political activity at a municipal level, and in 1982 Mr Picqué was elected to the council at St Gilles, one of the 19 communes of Brussels.

Three years later he became mayor. This was the beginning of a rapid ascent, during which he leapfrogged over an army of Socialist hopefuls working their way up the political ladder. In St Gilles he made an immediate impact.

Telegenic good looks, an open manner, readiness to mix, overflowing energy and the keen interest he took in the environment and the architecture of his commune marked him out above the normal run of local mayors. The Brussels press took him up in a big way, and in three successive years he was voted "Bruxellois of the year" in a poll of newspaper reporters.

Mr Guy Spitaels, the leader of the French-speaking Socialist Party (PS), took note and put him on the party's list for the 1987 parliamentary election. He was elected, but his parliamentary career did not last long.

When the first elections for the Brussels regional council were announced last year, he was picked to head the PS list by popular demand among party members. It paid off. The Socialists topped the poll for the first time ever in Brussels, which has traditionally been a stronghold of the (right-wing) Liberals.

Mr Picqué became president of the five-member executive council, but only after he had succeeded in complicated coalition negotiations within the 75-member (bilingual) regional council. He needed to construct three distinct majorities – one in the council overall, one among French speakers and one among the Dutch speakers.

In all, this meant involving six parties, with the Liberals left in opposition. Ironically, in his own commune of St Gilles, where he remains mayor, the Liberals are his coalition partners. "This is typically Belgian," he says.

The new regional executive and council have taken over considerable devolved powers from the national government, and Brussels is now on a par with the Flemish and Walloon regions which have been self-governing since 1981.

Mr Picqué is quite clear about the main challenge which he faces. "It is to manage a town which, at the same time, is an international town, but which must also preserve an ambience, a rhythm of life, which will enable it to retain its population. I think we shall do this, but the greatest risk is that Brussels would be reduced to being a huge administrative centre, a town without a soul or identity, without any human atmosphere.

"The second challenge, which is linked to the first, is that we have to avoid becoming a town cut in two – divided between rich and privileged international administrators, on the one hand, and a poor, disadvantaged population on the other."

The city for which he is now responsible has suffered major depredations over the years, from greedy developers to lax town planners.

If this passionate defender of the human environment cannot improve the quality of life during his five-year term of office, perhaps nobody can.

If he succeeds in his mission, there may be no limit to his future political prospects, although it would not be altogether surprising if he resists calls for a national political career and decides to devote himself indefinitely to the city he evidently loves.

Dick Leonard

Dick Leonard profiles Vice Premier Jean-Luc Dehaene

Widely tipped to succeed Martens

THE CENTRE of gravity of Belgian society is somewhat to the left of the political centre.

It is very definitely on the Dutch-speaking side of the language barrier and probably a shade on the Catholic side of the religious secular divide.

The senior Belgian politician who most closely approximates to this position is Mr Jean-Luc Dehaene, the Vice Premier and Minister for Communications.

Unknown outside his native land, Mr Dehaene is the man most widely tipped to succeed his friend and patron, Mr Wilfried Martens, as Prime Minister.

There is no immediate vacancy, but Mr Martens has already served more than 10 years and is known to covet the succession to Mr Jacques Delors, when he leaves the EC Commission, probably at the end of 1992.

Mr Dehaene, 49, is a Christian Democrat from Bruges. He was born in France where his father, a Belgian army doctor, had retreated with his unit in 1940. Taught by French-speaking Jesuits, and a graduate in law and economics at the Catholic university of Leuven (Louvain), he remains an archetypal Fleming, whose French is still heavily accented.

Mr Dehaene says that he had no early political ambitions and did not join a political party until 1967, when, at the age of 37, he was invited to join the national committee of the Young Christian Democrats.

Before then he had worked for four years as the administrative head of the Catholic Boy Scout movement in Flanders and had gone on to join the research department of the Christian Worker's Movement.

Mr Martens was then president of the Young Christian Democrats and since 1967 the two men's careers have been closely entwined.

When he first became Prime Minister in 1979, Mr Martens made Mr Dehaene his *chef de cabinet* and when he formed a centre-right coalition with the Liberals in 1981 he badly needed a left-wing Catholic in his Government to reassure the powerful Christian trade unions.

Though not yet an MP, Mr Dehaene was made Health and Social Affairs Minister. The Government lasted for six years, during which it imposed a statutory income policy and massive public expenditure cuts in order to restore the battered competitiveness of the Belgian economy.

Mr Dehaene skilfully defended his own department from the cuts, which did much to endear him to the Socialist opposition as well as to the Christian unions which remained remarkably quiescent. When the Government fell, it was not over economic policy, but because of a typical Belgian linguistic row about a French-speaking mayor of a mixed language commune who refused to sit an examination in Dutch.

With help from the king, he persuaded Martens to continue

The subsequent general election in December 1987 led to sweeping Socialist gains, and it was evident that they had to be included in the successor government. Mr Martens, however, took the election defeat as a personal vote of no confidence and refused to try to form a new left-centre coalition. The victorious Socialist leader, Mr Guy Spitaels, was ruled out as a possible Prime Minister because of his inability to speak Dutch, and Mr Dehaene was summoned by King Baudouin as the Christian Democrat most likely to attract Socialist support.

Mr Dehaene concluded that if a new government were to succeed, it would have to produce a constitutional settlement to defuse the language dispute, while continuing the broad lines of the previous government's economic policies.

It seemed an impossible task. But after three months of hard bargaining, Mr Dehaene put together a five-party coalition with an agreed programme to amend the constitution to provide new linguistic guarantees in mixed-language communes and to establish a directly elected regional council for the Brussels area.

He persuaded his own party to switch coalition partners, the Socialists to back economic policies they had opposed and the Volksunie, the moderate Flemish Nationalist party, to join the Government in order to provide the necessary two-thirds majority for constitutional changes.

Most remarkable of all, with help from the king, he persuaded Mr Martens to continue as Prime Minister. This was necessary, Mr Dehaene now says, as a symbol that the economic policies would continue.

Without Mr Martens, he maintains, nobody would have believed this, and although he would have become Prime Minister, the new government would not have lasted long.

As it was, the Dehaene formula worked like magic, and two years later the Government is still firmly in place, and has successfully legislated the most urgent parts of its programme.

As for Mr Dehaene, who was previously seen as rather an impetuous and unsubtle fellow, his reputation has soared and he is now seen as second only to Mr Martens as a Mr Fixit.

He is also admired for his common touch, not least when he acts as an enthusiastic cheerleader for his favourite football club, Bruges, which has just won the Belgian championship.

The former British EC Ambassador, Sir Michael Butler, once wrote rather sourly: "If Belgians have a fault, it is perhaps that they are so keen on compromise that they are sometimes ready to advocate bad solutions in order to achieve it."

So far, at least, Mr Dehaene's solutions seem to have been good ones, and if they continue to be seen as such, they will most likely eventually propel him to the premiership which he forecast two years ago.

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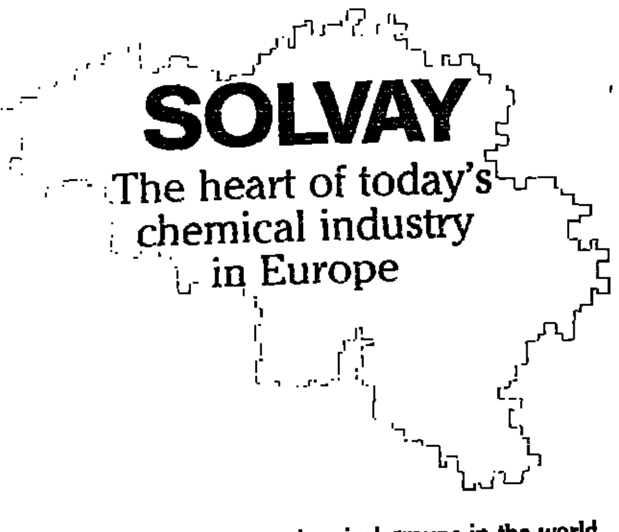

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Deregulation of the telecoms market

Don't ring us ...

BELGIUM is ready and waiting for the technological challenges of the 21st century, says the publicity handout of the state telecom company.

In this century, however,. about 40,000 of its people are ready and waiting for a telephone.

No matter how hard the Regie de Telegraph et de Telephone (RTT) blows its own trumpet, it cannot drown out the noise of complaints. In the last year or so there have been some fairly damning criticisms.

In the EC Council of Ministers, Belgium has been attacked as one of the most reluctant to cut the monopoly powers of its telecom companies, yet at home it has run its monopoly in a way recently described as scandalous.

Reports in the Wall Street Journal earlier this year struck a particularly raw nerve, claiming that the Belgian phone system was the sort of thing one would expect in the Third World, rather than in the capital of Europe.

It has been source of growing embarrassment to Brussels that the rush of companies and individuals moving there may have to wait up *to six months for a phone* – unless they happen to know the right people in the ministry.

According to Mr Marcel Colla, the Telecommunications Minister, not only are such *complaints greatly* exaggerated, but they are rapidly becoming out of date.

The RTT has, belatedly some would argue, started an emergency plan, ordering more cables, and hiring contract workers to *install* them. As *a* result, the number of people waiting has fallen by 8,000 in the last couple of months, and it is hoped that the backlog will be gone by next year.

The minister says the longest anyone then has to wait will be a month: which *still may seem slow on* American standards when only hours are usually involved.

The RTT's problems started when the contract for the lines was signed too late, and the level of demand was *underestimated*.

The fact that this could have happened says less about the RTT itself, than about the long-winded bureaucratic approach of Belgium's entire public sector.

But that is about to change.

Under a new law aimed to make all public administrations a little nimbler and more efficient, the RTT is shortly to be restructured under the new name of Belgacom.

"At the moment we are an administration with too many rules," says Mr Colla.

In the future the company will be able to take more decisions for itself, with a view to its commercial interest. For one thing, it will be able to *hire teams of professional* managers.

The new law will also allow the RTT to raise a limited amount of private capital if it so wishes, although the state is to retain at least 51 per cent of the capital and 75 per cent of the votes.

Hand in hand with the new company structure will be the *deregulation of the telecoms* market in Belgium, which means the RTT will lose some of its monopoly businesses. The move towards deregulation, in Belgium, which has gradually crept in of *its own accord, is being forced* by legislation.

So far, the RTT has engaged a larger share of its market than many of its neighbours, with a monopoly not only of all the basic networks, but also to supply the first telephone set, the first telex machine – over small PBAXs and over small modems.

As a result of EC legislation it will lose most of that, and will have its control greatly weakened over value added services. Such liberalisation *goes further than Mr Colla* would have liked.

He argues that there is implicit competition between national phone companies even in their protected areas, because the efficiency of their *basic phone systems* is an important reason for companies settling in one country rather than somewhere else: a brave argument to use given the image of the RTT in this area.

He also points out that as a small country of only 3.7m subscribers, Belgium has no room for more than one telephone company. The kind of deregulation being carried out in the UK, for example, with Mercury established as a competitor to British Telecom, *is not an option in Belgium, he* says.

Even in the value added services, he argues that competition should not be completely free. "I do not think it is a good thing if all the *services are controlled by* companies that are not Belgian," he says. "We are in favour of Europe, but do not want to depend on strategic decisions that are being made in Paris and Europe."

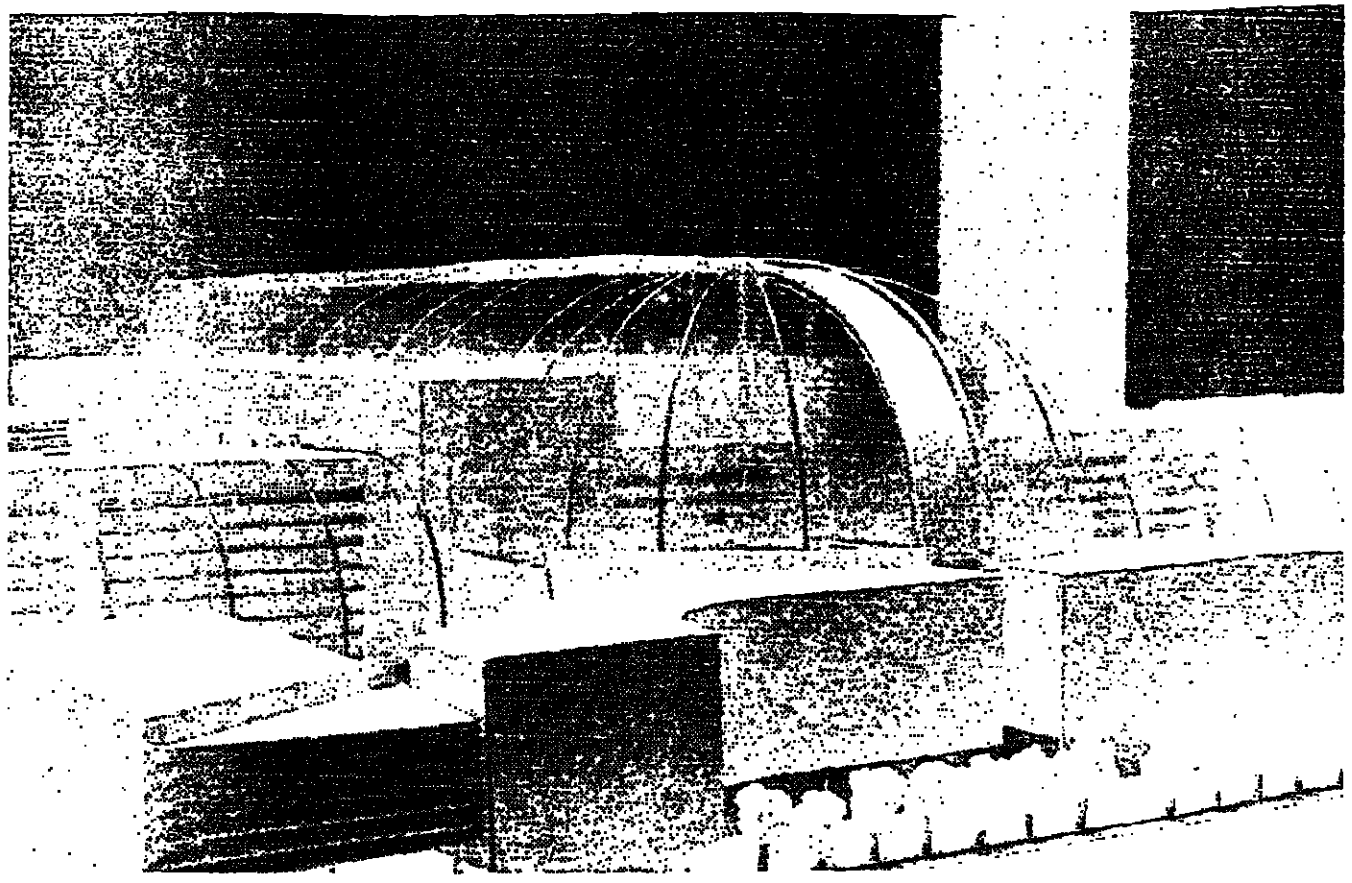
Disregarding such arguments, Europe is moving ahead with deregulation, and the RTT is going to compete as best it can. The way forward *favoured by Mr Colla is* through joint ventures. He has *already signed one with the* France Telecom, and is hoping soon to be able to conclude several more. The minister also recently opened an office in New York in an attempt to get a bigger slice of the international traffic.

These moves are all quite new to the RTT, which previously rather neglected the commercial parts of the business. The steady rise in *profits to BFr 9bn in 1989 on* sales of BFr 90bn has been as much due to the surplus profits earned by a monopolist in a captive and rapidly growing market as to the increase in productivity.

In future, the company is likely to concentrate more on marketing its products. Mr Colla explains that in the past it has concentrated its efforts on technology

Mr Colla, who is a postman's son, looks as though his new role as chief of Belgacom will suit him. With a fat cigar in mouth, and sunk into a deep leather armchair in his vast, new offices, he looks every inch the business tycoon. "The big goal is to go from an administration, with the *mentality of administrators*, to being a company," he says.

Lucy Kellaway



The futuristic design for Brussels Midi station, set to be the main interchange for the European high-speed train (TGV) network

Profile: Wilfried Martens

A new, modernising image

WILFRIED MARTENS is getting a second wind as Prime Minister. For most of his first decade in power, he seemed to be Martens the Marathon Man, *the long-distance runner* pursuing constitutional and budgetary reform of the Belgian state. Those races are still far from completed.

But increasingly he is pushing the image of Martens the Moderniser, the man who is trying to ready Belgium's antiquated public service sector for post-1992 Europe, to streamline and rationalise its police, to open the Brussels financial marketplace to competition, and to make Belgium fiscally more attractive to foreign companies.

Achievement of the earlier *tasks is still essential, he says.* "We're still paying for the stupidities of the 'easy' years of the 1970s," when the central government threw borrowed money around in response to the competing claims of the country's regions and linguistic communities. "We will need *15 years of redressment,*" *he* says, until the mid-1990s by when he hopes that public debt servicing falls to 2-3 per cent of the country's GNP. Once it falls below the annual growth of GNP, then the road to recovery will be almost automatic.

This process of financial recovery is, Mr Martens reckons, helped by central government shedding wide-ranging *responsibilities, and some 40* per cent of total public revenue, to the country's three regions – Flanders, Wallonia and Brussels. The Walloon regional government has been tougher towards the financial problems of a big city like Liege than the central govern*ment would have dared. Nor* would teachers be out on the streets of Brussels if the government of the French-speaking Community government had been as soft as previous national education ministers.

Likewise, the Flanders government has shown more audacity in closing its Kempen coal mines than the central government did.

The Prime Minister concedes the problem of overlapping jurisdictions, and cites the problems of *conditions for* immigrants – their housing is *a regional charge, teaching* a Community responsibility, and *acquisition of* nationality still under central government. Further reforms are planned, which must, among other things, set limits on the external responsibilities of the regions. But Mr Martens does not want to preside over the demise of central government in Belgium. "I believe that all the powers not explicitly passed to the regions should stay with central government."

More idealistically, Mr Martens believes that Belgian *devolution* can be "*a sort of* model for Europe, if it can *make three* different cultures (including Belgium's German-speaking Community) work together."

For the moment, however, the rest of Europe is more interested in Belgium and Brussels, the emerging political capital of institutional Europe, *working more efficiently* And here Mr Martens has plans. He lists preparations for a new competition law, for putting the country's six public-owned credit institutions on a more commercial footing, for making public services in general and the RTT telecommuni*cations service more* "business-like" by submitting their management to contracts and to greater financial self-reliance.

Many of these measures follow or anticipate directives being prepared at the EC level, but "they constitute a break with the traditional system in Belgium," Mr Martens stresses To the extent these measures leave Belgium better prepared for 1992, they may also provide the Prime Minister with a better springboard onto the wider *European scene. He is fre*quently mentioned as a possible successor to Mr Jacques Delors as European Commission president. He demurs at such talk, but says: "I have a European ambition – that is clear."

David Buchan

David Buchan on links with a former colony

Firm line on Zaire

POST-IMPERIAL guilt has long *dogged Belgium* in its complex relationship with Zaire, the former Belgian Congo, but 30 years after Zairean independence it at last seems to be wearing off.

The catalyst has been allegations that last month, only three weeks after President *Mobutu Sese Seko promised* an end to 25 years of one-party rule, his troops murdered students demonstrating against the Government infiltrating its agents onto their university campus in Lubumbashi.

To the surprise of everyone, Belgium took a quick and decisive stand, calling a halt to a pending state loan of BFr300m and preparation for its regular *annual discussions* with Zaire on aid policy.

Brussels demanded an international inquiry into the Lubumbashi events after the Mobutu Government had spent 18 months brow-beating Prime Minister Mr Wilfried Martens' Government to write off a size*able chunk* of Zairean debt with accusations of neo-colonialism.

Belgium's request for an out*side investigation got the for*mal diplomatic backing of its EC partners and of Washington *without difficulty* .

Behind this firmness lies a number of factors. One is a feeling that democracy and human rights in Zaire, and Africa in general, should no longer be judged by lower standards than eastern Europe, where Belgium warmly welcomed the 1989 revolutions, and Asia, where Belgium roundly condemned China's suppression of its students.

"We should not indulge in selective indignation," as Mr Mark Eyskens, the Foreign Minister put it.

The Belgian Government also appears to be grimly satisfied that it has "a solid dossier" of evidence on the Lubumbashi killings. Even a Kinshasa newspaper put the *death toll at 23, after having* had to listen to Mr Mobutu talk of *multi-party democracy*: a controlled game that only three selected parties are allowed to play. Earlier, there had been Mr Mobutu's accusations of neo-colonialism.

From the start, in November *1988, when the Zairean leader* started to make a public row out of Belgian press criticism of his personal fortune and of alleged corruption in his entourage. Mr Mobutu was after money.

This was not surprising, since the debt relief that Bel*gium was then offering Zaire* was not generous. However, after 18 months of acrimonious negotiation, mediated at one point by King Hassan of Morocco, Belgium substantially improved its terms.

In March this year Belgium agreed to cancel BFr4.7bn in accumulated debts owed by Zaire; cancel one third or BFr1.2bn of Zaire's Belgian state-guaranteed commercial debt falling due in 1989-90; and to reschedule repayment of the principal on the remainder and let *interest on this be paid in* Zairean currency into a local development fund.

All this adds up to a feeling in Brussels that Belgium has done enough to help a country whose importance to Belgium's economic *welfare is less than* popularly believed.

Belgian companies, mainly in mining and shipping, remain heavily involved in Zaire, but Belgian exports of BFr10.6bn to Zaire in the first nine months of last year, and imports of BFr28.6bn over the same period, are minuscule in the context of Belgium's total BFr6,000bn two-way trade.

"If all trade with Zaire were stopped, it would be the same as an interruption of 30 hours in a whole year," calculates one official.

Although there are still *13,000 Belgians in Zaire, diplo*mats say there are as many in *Chicago alone, and* half as many in South Africa, "a state against which we still impose sanctions."

However, it would be wrong to assume that Belgians no longer value their links with Zaire and Zaireans. For one thing, it is the one element of Belgian foreign policy which has not been submerged in the European Community.

But what is new is the realisation that support for Zaire and support for Mr Mobutu are *no longer* necessarily the same.

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Reserve capital	19.5	**21.8**
Net profit	1.7	**1.7**

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David Buchan on 'danger of unbridled competition'

Tax plea to the IMF

THE BELGIAN Government compares tax competition with the competitive devaluations of the bad old days.

Only last month, Mr Philippe Maystadt, the Belgian Finance Minister, wrote to Mr Michel Camdessus, managing director of the International Monetary Fund, calling for central control on some tax levels.

He said: "Just as countries found it necessary to co-ordinate trade policies under Gatt, they may also find it necessary to lay down additional rules of conduct in the domain of capital income taxation through a multilateral convention."

Whenever a neighbour or partner lowers tax rates, just as the international value of a currency may be lowered to gain an export advantage, other rates must follow or business may be lost.

In turn, declining tax revenue can bring the public sector out on the streets in revolt, as seemed to be the case earlier this summer when teachers, air traffic controllers and railwaymen staged strikes.

The next step is that the public starts protesting at the declining level of public services. In Belgium, so far that has not happened. But Mr Maystadt feels it may yet.

As he wrote in his letter to the IMF: "a more general danger is that leaving tax competition unbridled can seriously undermine the 'social compact' between democratically-elected governments and their citizens concerning the appropriate level of public expenditures."

Belgium's problem is that it relies on other countries for much of its revenue.

One of its neighbours, Luxembourg, has especially low indirect taxes and high standards of banking discretion. In addition, the Duchy, because of its monetary union with Belgium, offers Belgian depositors no exchange rate risk on what they place in Luxembourg.

The result has been that the Belgian exchequer has always taken in less than one would expect from its high tax rates.

Mr Maystadt's cry for IMF help came after the European Commission failed to convince member states of the need to agree on a minimum tax-at-source on non-residents' capital income. As a result, Belgium has had to reduce its own withholding tax.

At the same time, EC states have failed to bring their widely-differing value added and excise tax rates closer together.

Belgium's efforts to scale down its tax rates are shackled by fiscal and budgetary constraints. These are that in 1989 gross public debt amounted to 133 per cent of gross national product (down from the peak of 135.6 per cent in 1988).

The two guiding rules, which the Government has imposed on itself, are that real public spending (excluding debt interest) and the budget deficit in cash terms should both stay constant. The hope is that, as the economy and tax-take grow, public borrowing will naturally shrink in relation to the overall economy.

But despite these constraints, some tax reform has been achieved. The top marginal rate of personal income tax was, from 1989, chopped back from 72 to 55 per cent. At the same time, there was a significant increase in the minimum tax-exempt income.

This reduction in personal income taxes worth BFr96bn a year was revenue neutral, paid for by closing other loopholes and by raising indirect taxes on petrol and cigarettes.

The latter move started to reverse the trend that had led, by 1988, to two-thirds of all revenue being raised by direct taxes and only one-third by indirect taxes (on goods).

But Belgium will soon be under pressure to lower indirect taxes, particularly VAT. Standard rate is 19 per cent, with a top rate of 25 per cent and a reduced 6 per cent rate.

This compares with the EC's proposal of just two VAT levels – a reduced 4-9 per cent band for necessities (and possibly some zero-rated items in certain countries such as the UK which already have this exemption) and a standard 14-20 per cent VAT band.

Even more likely is an EC-agreed minimum at, perhaps, 15 per cent for standard goods and services. Two of Belgium's neighbours, France and the Netherlands, are taking unilateral steps to bring their fairly-high VAT rates down, while Germany and Luxembourg are already at, respectively, a 14 and 12 per cent standard rate.

The withholding tax, the *précompte mobilier*, for all revenue, interest from bonds and most bank deposits, was slashed in February 1990, from 25 to 10 per cent. But this did not apply to shares.

To have cut the tax on share dividends would have cost the exchequer BFr40bn a year, say Finance Ministry officials. Nevertheless, Mr Maystadt has committed himself to making the tax reduction for share income as soon as possible.

The impact of this tax change came in the first subsequent Belgian state loan in March 1990, which was to have been only BFr30bn, but was more than doubled to BFr70bn in response to popular demand. "Clearly more money is staying in the country," says one finance ministry official.

Under a reform agreed last December, standard corporate tax will be cut from 43 to 41 per cent by 1991.

But there are signs that the December 1989 reform may not be enough to satisfy the Socialists in the governing coalition. They are still displeased with the way that corporate tax receipts are growing slower than the overall tax-take, or the economy itself.

No matter that the Finance Ministry, in the Christian Democratic hands of Mr Maystadt, points out that all tax incentives costs money, and that precisely because of the investment boom companies have been using depreciation and special deductions for investment more than ever.

A particular target has become the generous tax provisions that has encouraged some 230 multinationals to set up so-called co-ordination centres in Belgium. Provided genuine multinational groups set up such a centre with BFr1bn capital and employing a minimum of 10 people, these operations benefit from paying corporate tax on only a flat-rate assessment of profits (estimated normally at 8 per cent of total costs) and from exemption from withholding tax.

Created in 1982 to last for 10 years, these tax provisions seemed the right prescription for Belgium to win investment in the depressed early 1980s. But should they be necessary post-1992? That is the awkward question the Socialists are posing for their coalition partners.

Profile: Guy Verhofstadt

Economic Cassandra

"PEOPLE ARE blind to the problems because of our booming economy. They say *'Alles gaat goed, tout va bien'* – so why worry?"

At only 37 years of age, Mr Guy Verhofstadt seems an unlikely Cassandra. But this Ghent Liberal is paid to be the Martens Government's chief scourge. After three years as Budget Minister, he became, as president of the PVV Flemish Liberals, leader of the Opposition in 1988. He has turned into one of the more eloquent and numerate critics of current economic policy.

His main complaint is that Belgium should be using its booming economy to further reduce the budget deficit and government regulation of the economy.

He is proud that even when the economy was not performing so well, public debt servicing, under his stewardship, came down from 12 per in 1985 to 8 cent of GNP by the end of 1987.

At the same time he is contemptuous that in better economic times since then, it has only fallen to 6 per cent. This, Mr Verhofstadt notes, is more than twice the EC average.

The former Budget Minister says he would do three things about it.

Firstly, he calls for a return to the policy of cutting back bureaucrats by natural wastage. The number of bureaucrats – federal, regional and local – fell from about 870,000 in 1980 to 804,000 today. But Belgium still has more people working in its civil service than, for example, the Netherlands which has 720,000 bureaucrats serving a population 4m larger than Belgium's.

Secondly, with the social security system, "the same range of health benefits should not be given to everyone, regardless of ability to pay." Mr Verhofstadt suggests that above a certain income, individuals should be obliged to buy their own private health insurance. He also says the Government should build up financial reserves in the pension system.

Thirdly, he advocates privatising the RTT state telecommunications system, Sabena – still majority owned by the Belgian state despite British Airways and KLM shareholdings – and publicly-owned credit institutions.

Of these three targets for privatisation, Mr Verhofstadt has, like many others, RTT in line first. He says Belgium as the capital of institutional Europe should be the service nation *par excellence*. But this is impossible, he says, with the poor service provided by the telecommunications monopoly.

He cites the example of the Swift interbank transfer system, which, although based in Belgium, carries out virtually all its transactions in nearby Netherlands.

Other financial service sectors figure high on Mr Verhofstadt's list of Belgium's self-imposed handicaps. The reforms of Mr Philippe Maystadt, the Finance Minister, do not go far enough, says Mr Verhofstadt, who complains that simply regrouping the six publicly-owned credit institutions into two camps (one headed by CGER and the other by Credit Communal) is futile, and they should all be privatised.

The PVV leader also believes that modernisation of the Brussels bourse amounts as much to re-regulation than de-regulation. He complains there are still thresholds for deals which must be settled on the stock exchange; that the government-set bourse tax should be abolished; and entry to the stock exchange should not be restricted to stockbrokers and banks. He advocates self-regulation – the trend elsewhere in the world

Mr Verhofstadt says individuals and companies are both over-regulated and over-taxed. He accuses the Socialists who displaced the PVV in the latest Martens coalition of inconsistency for now complaining about wanting to withdraw some of the corporate tax breaks.

"They say companies are not paying their fair share and that their tax payments are not rising as fast as the general economy. But this is proof that tax incentives granted over the past decade have worked."

David Buchan

THE MONARCHY

Baudouin's day off

IT 'MUST have been the shortest ever constitutional crisis ever. For 39 hours, at the beginning of April, Belgium was without a king while the conscience-stricken Baudouin quietly stepped aside to allow a bill legalising abortion to be signed without him.

The rest of the world looked on with puzzlement, but Belgium felt it would never be the same again. Its initial reaction was that irreparable damage had been done to the constitution, and urgent changes would be needed to ensure that the King did not make a habit of getting off the throne every time he came across a law he did not like.

Less than three months later, it all seems to have been forgotten. The King still gets to work at 9.15 every morning, goes home at noon to lunch with the Queen, and spends the afternoon reading files.

The newspapers no longer talk of reforming the constitution, and everyone assumes that so delicate a task will have to wait at least until after the elections in January 1992. People increasingly wonder if changes are needed after all.

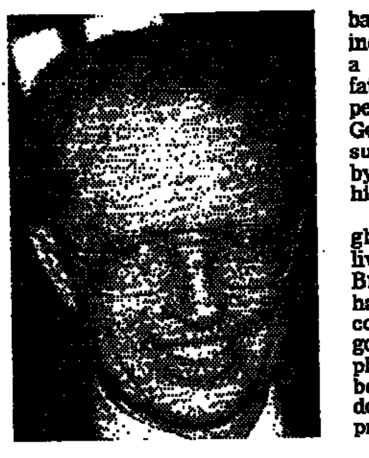
The King was able to step aside thanks to article 82 in the Constitution that allows him to hand over his power to the Government and Parliament, if he finds it "impossible to reign." The article, designed to deal with kings that had gone senile, was never meant to be put to such use.

Some people argued that if the King objected to a law so strongly that he could not put his name to it, he should resign for ever. To give his conscience a brief holiday not only smacked of hypocrisy, but damaged the royal prestige.

A few among the French-speaking Walloons, traditionally less pro-royal than the Catholic Flemish, called for him to resign.

But such talk has died down, which says much for the King's apparent popularity. The general view is that the event was a genuine one-off, covering the most vexed legislative issue in years, and one on which the King – childless and a staunch Catholic – has the strongest possible views.

Indeed, by taking a day off he may have found a neat solution to a delicate problem,



King Baudouin

allowing a way round a difficulty that might otherwise have caused a much greater political fracas. The question of whether Belgium should drop its ban on abortion – which it shared only with Ireland – had divided the Government, heightening tensions between the Christian and Socialist parties in the five-way coalition. The law is still one of the tightest in Europe, making abortion legal only up to 12 weeks.

Belgium's constitution has shown great powers of survival in its 160-year history. Of the 26 articles that lay down the powers of the King, only the most trifling changes have been deemed necessary. Under its terms, the King has considerable power, at least compared to that of other European monarchs. It is up to him to hire and fire all ministers, his signature is required on all laws, he has the power to grant honours, appoint magistrates and forgive crimes. He is commander of the armed forces.

The interpretation of these powers has changed with the times, with the King's real power steadily eroded so that he no longer chooses ministers himself. However his hand can still be seen from time to time during periodic Belgian cabinet crises, and he was responsible for persuading Mr Martens to form the present Government.

On the whole, the people of Belgium seem to think that he performs these tasks well. He is seen as a hard-working, kindly man, a fervent Catholic, with a self-effacing personality. This appears to be no drawback in the eyes of the public; indeed Baudouin's greyness is a relief after the dash of his father, who first offended the people by surrendering to the Germans in 1940 without consulting parliament, and then by taking as his second wife his children's governess.

Belgians have none of the ghoulish curiosity into the lives of their royals that the British or even the French have – the Royal Palace will confirm that the King likes golf and has taken some fine photographs of the stars, but beyond that what the King does or does not choose to do is properly left as his own affair.

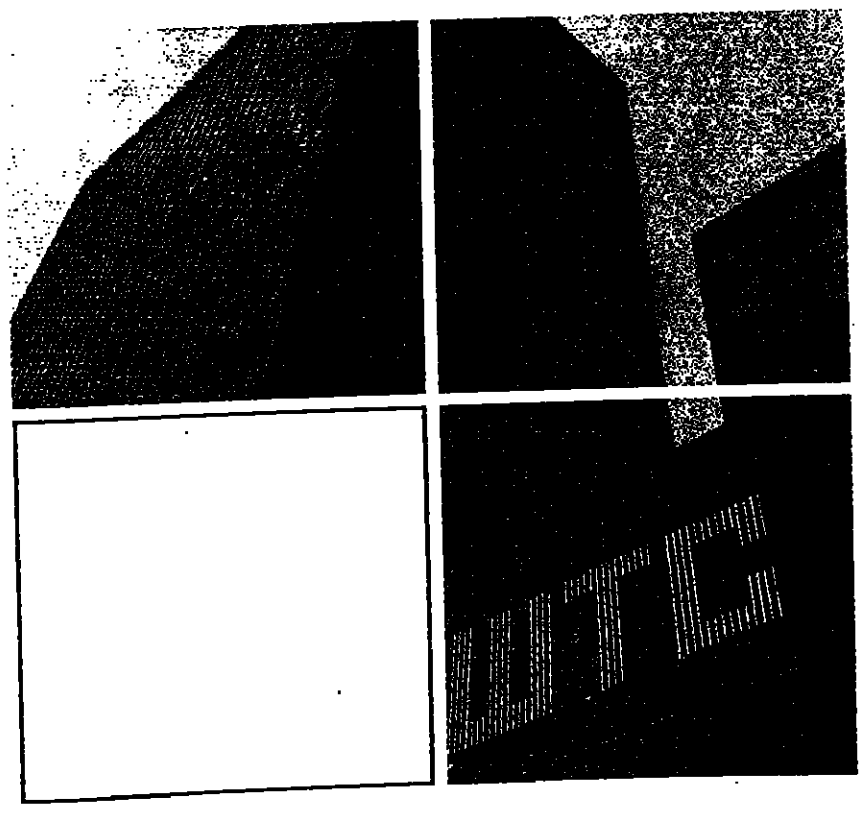
However if the people were unhappy about the King, it might be hard to tell. In Belgium an obscure law exists under which it is illegal to criticise him. And even without such a law, there seems to be an informal understanding not to mention him, unless it is his birthday or he makes an official visit somewhere.

Two events have recently brought this suppression of free speech into the open. The first was the fracas over his Christmas message. Baudouin, who apparently had toiled over this speech for several weeks gave the nation an account of the virtues of family life. The speech, which was broadcast on television while all the other channels were running footage from Romania, struck a lawyer from Namur as offensively narrow, and he wrote to the King to tell him so, sending his letter to the press. In theory the lawyer could have been jailed for up to three years, but he was spared after brief psychiatric treatment.

The other incident concerned a Flemish journalist who wrote an article spelling out the opposition of the King on the abortion issue. This was suppressed by his paper lest it cause a dangerous split in the Government. The article was later published in the Wall Street Journal, and the journalist lost his job.

The Belgian monarchy may be an excellent institution and may serve a useful purpose. That being the case, Belgium would seem to have little to lose in allowing people to discuss it a little more openly.

Lucy Kellaway



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REGIONAL REFORM

Sums do not add up

THE French-speaking children of Belgium did not learn much in May. Their teachers, demoralised and woefully underpaid, spent much of the month on strike in pursuit of a deal that their employers do not have the wherewithal to grant. The education budget in Francophone Belgium is short of BF4bn for next year, and the deficit is likely to be almost three times as high by the end of the decade.

The lesson to be learnt from the education crisis goes far beyond the classroom: it is that the regional reforms of the last two years are not working smoothly. They seem to have got rid of one brand of chaos only to replace it with another.

Education is the area which was most likely to cause problems from the outset, as it lies at the intersection of a complex division of powers in Belgium. The country is divided in two different ways: by linguistic communities – which divide the French, the Flemish and the German speakers – and into regions – separating Flanders to the North and Wallonia to the South, and adding Brussels as a separate region. The two different divisions overlap, but are not the same: the French-speaking community covers Wallonia but also includes the French speakers in Brussels.

Each body operates separately, in charge of different things. The communities rule over cultural matters, although their main responsibility is for education, which takes up about 80 per cent of their budget. They have no power to raise taxes: instead, they are given a budget by the states according to a formula written into the law two years ago.

The deepening financial difficulties show how the sums do not add up now that the French Community has to manage its own budget. The struggle by the Community to meet the shortfall is a further example of how clumsily the system works. A plea to the Central Government for funds has met the direct opposition of the Flemish. Requests to the Brussels region – which is 80 per cent French-speaking – have also run into objections from the blocking Flemish minority on the council. Requests to Wallonia have been better received, but even there, any money paid over is likely to be in return for some transfer of power to the regional government.

According to Mr Peter Claes of Banques Bruxelles Lambert, the problem can be resolved for 1991, but in the longer term a new financial law is needed with a new funding formula for the French Community. Unfortunately, getting the 75 per cent parliamentary majority needed for such a reform is inconceivable. That will probably mean another fudged solution to complicate further a system which even for even the eyes of most Belgians defies comprehension.

Yet despite its shortcomings, regional reform must count as a great success, simply because it has made Belgium governable once again. By giving large powers to the regions it is now possible to get things done which previously would have been fought by the Walloon Flemish. The present system may be too complex and may create new financial strains, but these are nothing compared to the strains that the whole country was under in the days when every franc spent in one region had to be matched in the other.

Yet the new system of regional powers is wasteful. There are no fewer than 12 elected bodies, with competences overlapping. The regions, accounting for over a third of total public sector expenditure, have considerable say over economic policy, trade policy, employment, public procurement, housing, environmental protection and so on.

In many of these areas responsibility is shared, often resulting in a legislative shambles. Problems have been raised recently in getting Belgium to comply with EC directives. The EC recognises only the state, whereas many of the areas in which decisions have been taken are the sole competence of the regions, and the regions are unwilling to accept a decision taken by the Government.

This division of responsibilities has made Belgium a most awkward country for its counterparts either in Europe or internationally. In every political gathering Belgium demands four chairs round the table - state plus three regions - and as so many seats are almost never forthcoming, one of the parties is almost always sent home.

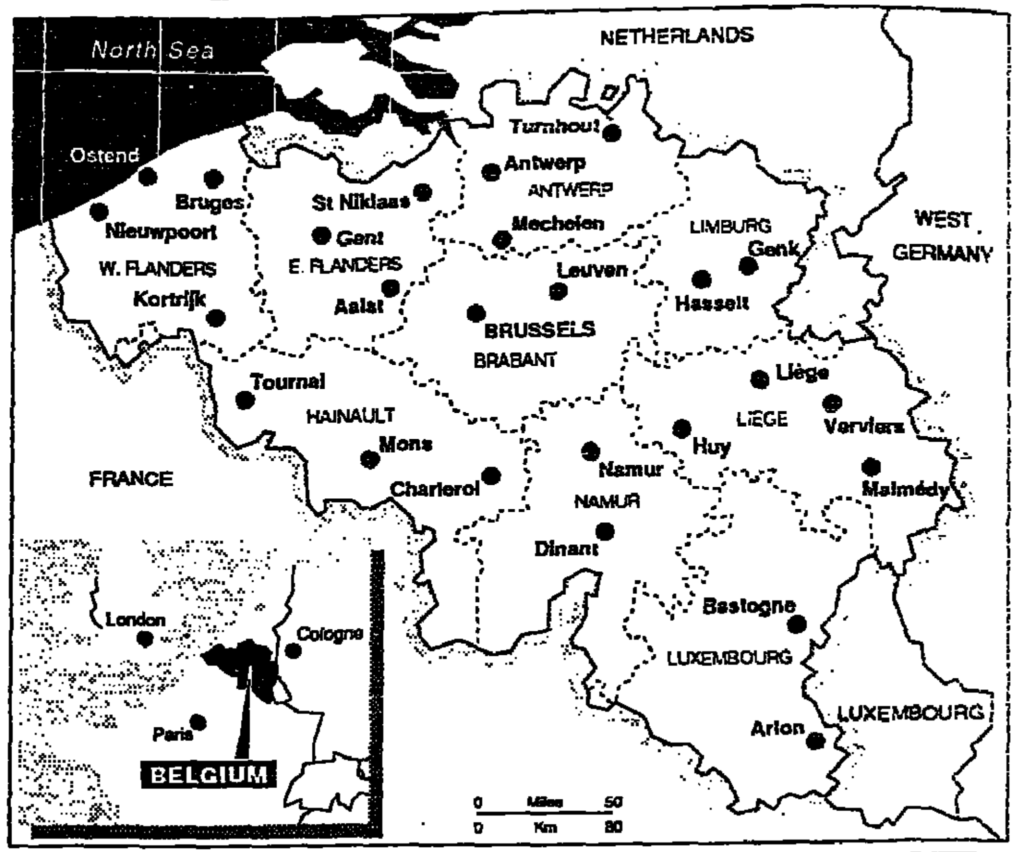
The transfer of powers to the regions has been a more obvious success in Flanders than in Wallonia. Because the area covered by the Flemish Community and by the Flanders region is the same, the two bodies have been fused, making a simpler and more powerful whole, better able to fend off financial difficulties. The Flemish part of the country has also been better at cutting back on its over-heavy public sector – and at least for the time being has staved off the bankruptcy of its towns. Even though the financial position of Gent and Antwerp leaves something to be desired, they are not in the same league as Liege. Wallonia had to rescue Liege from bankruptcy last year, and is likely to do the same again before the year is finished.

This summer Parliament was meant to pass a third stage of the reforms that were started in 1988. The first two stages, which were deemed urgently necessary, were whistled through, but the third, which deals with reform of Parliament, seems to have got stuck. Many people now doubt if anything will be produced at least until after the 1992 elections.

The most important area of reform is the Senate, which far from being an effective check on the lower house, is a duplication of it: its members are elected at the same time and in the same way. Other planned changes include scrapping the dual mandate of MPs – which at the moment serve on both national and regional bodies – and to agree on a further transfer of powers from the national bodies to the regions.

Parliament was by now supposed to have come up with its own ideas on the subject, but so far has produced nothing. As far as the Senate goes, as the reform would put many of its present occupants out of a job, the chances of its passage for the time being look slender.

Lucy Kellaway



BUSINESS GUIDE

Exchange rate: BFr 58 = £1 (June 1990)
Currency regulations: Import and export - no restrictions
Tipping guide: hotel staff, BFr 50-60, restaurant service included in bill, taxis, no tipping; porters, BFr 40-50
Credit cards: Amex, Diners, Eurocard, Visa
Visas: not required for US, Japanese or most European nationals (up to 3 months' stay)
Vaccinations: smallpox required, except for residents of European countries, Canada and US.
Business hours: Offices: 09.00 - 17.30 Mon-Fri.
Banks: 09.00 - 15.30 Mon-Fri
Shops: 09.00 - 18.00 Mon-Sat
National holidays: Jan 1, May 1, July 21, Aug 15, Nov 1 and 11, Dec 25 and 26.
Water supplies: Tap water is safe to drink.
National airline: Sabena World Airlines (headquarters: 35 rue Cardinal Mercier,1000 Brussels; (32 2 511 90 30)
Car hire: Avis (32 2 724 06 25); Hertz (32 2 735 40 50), Europcar (32 2 640 94 00)
Hotels in Brussels: Amigo, rue de L'Amigo 1-3, 1000 Brussels (32 2 511 59 10) Tlx 21618
Hilton, 38 Bld de Waterloo, 1000 Brussels (32 2 513 88 77)
Stephanie, 91-93 Avenue Louise, 1050 Brussels (32 2 539 02 40)
Astoria, 103 Rue Royale,1000 Brussels (32 2 217 62 90)
SAS Royal Hotel, 47,Rue Fosse-aux-Loups, 1000 Brussels (32 2 219 28 28) Tlx 22202.
Europa, 107,rue de la Loi, 1040 Brussels (32 2 230 13 33)

KEY FACTS

Area	30.519 sq km
Population	9.92m
Head of State	*HM King Baudouin*
Currency	100 centimes = 1 Belgian Franc
Average Exch Rate	39.40 Francs per US Dollar (1989 ave)

ECONOMY

	1988	1989
Total GNP (US$ m)	152,415	164,760
Real GNP growth	4 2%	4.5%
Compounded annual growth in *real* GNP 79/89	N A.	2.0%
GDP per capita	14,700	N.A.
Current Account Balance*	3,100	3,756
Exports incl. non-factor svcs*	88,446	96,548
Imports incl. non-factor svcs*	86,570	94,746
Trade Balance*	1,876	1,802
Budget Deficit as % of GDP	7.8	6.6
Reserves minus gold (US$m)	9,333	10 766
Trade Dependency*	114 8%	116 1
Inflation	1.2	3.1%
Unemployment	10.0%	8.5%
Female unemployment rate	15.2	13 3
% change unit labour costs manufacturing	-1 7%	N.A.

Useful Addresses:
Banque Nationale de Belgique, 5 Bld de Berlaimont, 1000 Brussels. (32 2 221 21 11)
Stock Exchange,(Commission de la Bourse de Bruxelles), Palais de la Bourse, 1000 Bruxelles, (32 2 512 51 10)
Institut National de Statistique, 44 rue de Louvain, 1000 Brussels. (32 2 513 13 04)
Federation des Enterprises de Belgique (Belgian Employers' Association), 4 rue Ravenstein, 1000 Brussels (32 2 515 08 11)
British Chamber of Commerce, 30 Rue Joseph 11, 1040 Brussels (32 2 219 07 88)
Chambre de Commerce de Bruxelles, 500 Avenue Louise, 1050 Brussels (32 2 648 50 02)
Antwerp, Kamer Van Koophandel, Markgravestraat 12, 2000 Antwerp (32 3 232 22 20)
Liege, Chambre de Commerce et d'Industrie Rue des Mineurs, 4000 Liege. (32 41 23 62 11)

Eugenie Maechling on a 175th anniversary

Tourists' Waterloo

THE 175th anniversary of the Battle of Waterloo was re-enacted at Butte de Lion this month.

Several thousand spectators, including the current Duke of Wellington who still owns some of the battlefield, were expected at last weekend's celebrations.

It was the seventh re-enactment of the June 18, 1815 battle, but by far the most ambitious and heavily sponsored.

This year's battle had a budget of about BFr 2.5m (£500,000) and brought together some 3000 participants from over a dozen countries including the Soviet Union, East Germany and Czechoslovakia. Television companies in east and west Europe as well as North America, Sabena, Generale de Banque and the Communes of Waterloo and neighbouring towns were the principal patrons.

Spectators were able to imagine the Duke of Wellington saying: "They have spoiled my battlefield," as he stared up at the Butte de Lion, the 200-ft high mound that Dutch troops raised to mark the spot where the Prince of Orange was wounded during the battle.

Eyesore it may be, it is still the best place to see both the grass and cornfields where Napoleon met his final defeat and to watch him being defeated all over again.

Curiously enough, the prime mover behind the 175th re-enactment was the Napoleonic Association of Great Britain. Director Mr Philip Coates-Wright co-ordinated the international participants.

Typically, about 20 "infantrymen" form groups to represent the original regiments. Each participant provides his own uniform but the club relies on sponsorship to stage the big event. Founded in the early 1970s, the 400-member association has made contact with similar Napoleonic battle groups that have sprung up near sites of famous battles.

The Napoleonic Association staged its first re-enactment in 1979, quite independently of the town of Waterloo which subsequently became an active promoter of the event. Waterloo councilman Mr Maurice Gerard invited participants from the USSR and east Europe to the 1985 re-enactment through contacts between the Wellington museum in Waterloo and museums at other Napoleonic battle sites such as Austerlitz, Leipzig and Borodino outside Moscow,

This year, the Soviet Union fielded about 150 participants in four regiments: the 1st Polish Infantry Regiment and the Lithuanian Uhlan (Lancers) Regiment from Latvia and Lithuania; the Kiev Grenadiers from Kiev, under the command of a Russian Army officer; the Lifeguard Preobrajenski regiment from Leningrad; and a regiment from Moscow.

East Germany has sent about 250 participants, mainly from Leipzig in the form of the 6th French Light Infantry, the 2nd Prussian Infantry and the Tschernigow Grenadiers, a Russian regiment.

From Iena came the 18th Ligne (French) regiment and the fourth Cuirassiers on horseback. Czechoslovakia was able to send the 90-strong Austro-Hungarian Infantry of Ostrava and Slavkov u Brna, better known as Austerlitz where Napoleon had his famous victory over the Austrians and Russians in 1805.

Western Europe was well represented by infantrymen from Italy, Switzerland, France, the Netherlands and Belgium while, for the first time, Canada sent 200 red coats to "help the Allies."

The Commune of Waterloo provided about 200 horses for the small group of cavalrymen drawn from various countries. The organisers set out to exactly recreate the battle, but the movement of troops inevitably seemed chaotic at times.

But that should not stop the Commune of Waterloo and the Napoleonic Association from launching another spectacle in a few years, perhaps in 1992 to celebrate the contemporary unification of Europe: something that Napoleon was prevented from achieving.

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EYWELL-BULL - IBM - ICI - IKEA - ILFORD - MARANTZ - MARTINI & ROSSI - MARUBENI
IASTERFOODS - MATSUSHITA - MAZDA - MC KINSEY - MEMOREX - MERCEDES BENZ - MI
IOBIL - MONSANTO - NGK - NISSAN - NIXDORF - OLIVETTI - PANASONIC - PENTAX - PEU
)T - PHILIPS - PHILIP MORRIS - PIONEER - PITTSBURGH CORNING - PROCTER & GAMBLE
RANK XEROX - RAYCHEM - RENAULT - REYNOLDS ALUMINIUM - RHONE POULENC - ROC
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You can contact the nearest Belgian Embassy or General Consulate and, the Service for Foreign Investors - Ministry of Economic Affairs - de Meeûssquare, 23 - 1040 Brussels - Belgium - Phone 32.2.511.19.30 - Telex 61923 ecoext - Fax 32.2.514.03.89.